

SOUTHLAND EQUITY PARTNERS, LLC  
PART 2A OF FORM ADV: FIRM BROCHURE

**Item 1. Cover Page.**

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Date of Brochure: Current as of March 31<sup>st</sup>, 2020

**This brochure provides information about the qualifications and business practices of Southland Equity Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 770-998-5879. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.**

**Additional information about Southland Equity Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2. Material Changes.

This Brochure dated March 31<sup>st</sup>, 2020, is an amended version of the previous Brochure dated March 31, 2019. There have been no material changes since our last annual update on March 31, 2019.

Pursuant to regulations, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may also provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting our firm at (770) 998-5879.

Additional information about Southland Equity Partners, LLC. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Southland Equity Partners, LLC who are registered, or are required to be registered, as investment adviser representatives of Southland Equity Partners, LLC.

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**This part of Form ADV gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any governmental authority.**

## **Item 4. Description of Advisory Business.**

### **A. Description of Advisor.**

Southland Equity Partners (“us”, “we”, “our”, “Firm”, or “Advisor”) is a Limited Liability Company organized under the laws of the Commonwealth of Virginia, with its principal business office located in Roswell, Georgia. Eric Antrobius is the Managing Principal of the Firm and we have been in business since 2010.

We offer investment advisory products and services to individuals, high net worth individuals, pension/profit sharing plans, and businesses. Our products and services are offered through advisory representatives of Southland Equity Partners. We manage client assets directly or indirectly through unaffiliated portfolio managers that we recommend.

### **B. Advisory Services Offered.**

#### **A. Financial Planning Services**

We prepare and provide you with a financial plan designed to help you achieve your financial goals and investment objectives. The preparation of a plan may be provided in written form and may necessitate that you provide us with personal data such as: family records; budgeting; personal liability; estate information; and additional financial goals.

The financial plan may include any, or all, of the following areas: personal; tax and cash flow; retirement; estate; insurance; and investments.

Planning and review of investments may include the assessment of: brokerage accounts; mutual fund accounts; and the sub-accounts within variable annuities.

Should you choose to implement the recommendations, we suggest you work closely with your attorney, accountant, insurance agent, and/or broker-dealer representative.

#### **B. Direct Asset Management Services**

We perform research, consultation and implementation for a portfolio that is designed to meet your objectives, risk tolerance, tax considerations, time horizon, and unique needs and circumstances.

The investment strategies utilized, and portfolios constructed and managed, depend on the confidential information that you provide us. You are expected to promptly communicate to us any changes in financial conditions or objectives. Model portfolios, options, and/or margin may be used as a part of the investment strategy. However, you have the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio. We may periodically rebalance your account to maintain the initially agreed-upon asset allocation on a discretionary or nondiscretionary basis. Investment decisions in accounts managed on a discretionary basis are made by the Advisor. A customized portfolio is created for each individual investor based on their individual needs. No changes are made to the agreed-upon asset allocation in nondiscretionary accounts without your prior review and consent.

## **C. Unaffiliated Portfolio Managers**

In addition to direct asset management services, we have entered into agreements with various other unaffiliated investment advisors for the provision of portfolio management services. To assist you in the selection of a particular outside portfolio manager, we typically gather information from you about your financial situation, investment objectives, and reasonable restrictions that you want imposed on the management of the account. You may reference the third-party manager's Brochure to find out more about the manager and services offered.

Based on information gathered from you, we evaluate and recommend the use of an unaffiliated portfolio manager for one or more of the asset classes in your portfolios. Factors considered in the selection of outside portfolio managers include: your risk tolerance; goals; objectives; investment experience; fees charged to you by the portfolio manager; the experience and capabilities of the portfolio manager; and the amount of assets that you have available for investment.

All securities transactions are decided upon and executed by the portfolio manager. Typically, the portfolio manager exercises discretion in the management of client accounts. We do not manage, or obtain discretionary authority over, the assets in accounts participating in these programs.

We periodically review reports that are provided to you. We contact you at least annually, or more often as agreed upon, to: review your financial situation and objectives; communicate information to the portfolio manager as warranted; and to assist you in understanding and evaluating the services provided. You are expected to notify us of any changes in your financial situation, investment objectives, or account restrictions.

## **D. Retirement Plan Consulting Services**

We offer retirement consulting services to employee benefit plans (collectively, "Plans") and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting its management and fiduciary obligations to the plan under the Employee Retirement Income Security Act ("ERISA"). Retirement consulting services are provided pursuant to a retirement plan consulting services agreement, and will consist of general or specific advice, that includes services other than investment advisory services.

The Company may also engage us to provide a review of executive benefits, for separate compensation.

We will determine with the Company, in advance, the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee-paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

When we perform the agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a non-discretionary ERISA fiduciary capacity with respect to the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

## **C. Tailoring of Services.**

Advisor tailors its Direct Asset Management Services, Retirement Planning Consulting, and Financial Planning Services to the needs of its clients.

For Direct Asset Management Services, client may impose restrictions on the purchase of specific securities or types of securities even when granting Advisor discretionary authority over investments (please see Item 16).

Unaffiliated portfolio managers may/may not allow tailoring of services or reasonable restrictions to the types of securities purchased in your account. You should consult their Brochure to learn more.

## **D. Wrap Fee Programs.**

Not applicable.

## **E. Assets Under Management.**

As of December 31, 2019, Advisor had 149 non-discretionary Advisor-Managed accounts with \$35,470,129 in Assets Under Management and 1,212 discretionary Advisor-Managed accounts with \$176,959,092 in Assets Under Management.

# **Item 5. Fees and Compensation.**

## **A. Financial Planning Fees**

Financial planning services are charged through a fixed fee, hourly fee, or asset-based arrangement as we agree. Fees are negotiable and vary depending upon the complexity of your situation and services you choose to be provided. Similar financial planning services may be available to you elsewhere for a lower cost.

Generally, fixed fees range from \$500 to \$10,000 per project. Hourly fees range from \$50 - \$300 per hour. An estimate for total hours is determined at the start of the advisory relationship. You are billed directly for these services and may pay by check or credit card. Fixed fees may be discounted if paid annually in advance. Asset-Based fees vary, but may not exceed 2.25%.

The financial planning fee is due and payable either in advance, in increments during the planning process, or after completion of the plan, as we agree. The financial plan will be presented to you within a mutually agreed upon timeframe, provided that you have promptly provided all information needed to prepare the financial plan. If you wish to terminate the planning process prior to completion, you may do so with written notice. Upon receipt of written notification, we will return a prorated amount of any prepaid fee based upon the amount of work completed prior to notification. In the event that you agreed to pay upon completion of the plan, any earned fee will immediately become due and payable.

You may elect to receive financial planning services based on assets held away from us. The fee for such services may be a percentage of the assets on which services are provided. You will be responsible for implementation of any investment allocation presented by us.

When you receive financial planning services, you may also purchase securities or insurance products offered through our Advisor. Our Advisor may receive commissions (and this may be their primary method of compensation) as Registered Representative or insurance agent in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning

services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to our Advisor receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us in connection with our providing you with financial planning services, or any advisory service that we offer. You have the option to purchase investment products recommended by the Advisor through other brokers or agents that are not affiliated with us.

## **B. Direct Asset Management Services Fees**

We offer our services on a fee-only basis. Our fee is calculated based upon the market value of the assets in your account on the last day of the previous quarter. Broker-dealers and other financial institutions that hold client accounts are referred to as custodians ("custodian/ broker-dealer"). Your custodian/broker-dealer determines the value of the assets in your portfolio. Fees for the initial quarter are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar quarter in which our agreement is in effect. This fee may be paid by direct withdrawal from your account held at the custodian or you may elect to pay this fee by check or credit card.

The initial Account fee is due upon execution of this Agreement. Subsequent Account fee payments are due and will be assessed at the beginning of each quarter based on the value of the Account assets (securities, cash and cash equivalents) under management as of the close of business on the last business day of the preceding quarter as valued by the custodian, when available, or otherwise in good faith.

### **Quarterly Fee Calculation**

$(\text{Assets under Management} \times \text{Annual Fee} \times \text{Number of Days in Quarter}) / 365 = \text{Quarterly Fee}$

Your custodian/broker-dealer provides you with statements that show the amount paid directly to us if the fee is paid by withdrawal from your account. You should verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

Please be sure to read the section entitled "Brokerage Practices," which follows later in this brochure.

You must pay our advisory fees in advance of receiving our services. Should you terminate the advisory agreement we have entered into within five (5) business days from the date the agreement is executed, you will receive a full refund of any fees paid.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

Any additions to, or withdrawals from, your account in an amount of \$10,000 or more, will trigger an Invoice. Unearned portions of fees will be reimbursed to your account if there is a withdrawal of cash or securities of \$10,000 or more, and a fee will be collected if there is a deposit of cash or securities of \$10,000 or more.

Most brokers and custodians charge transaction fees to place trades for a client's account. These fees are levied by the broker or custodian to cover their costs. We do not share or participate in transaction fees. Transaction fees vary by custodian/broker-dealer.



As a fee-based investment adviser, we generally avoid investment vehicles that charge you a commission for your sales or purchases. However, if a transaction fee or commission is charged, this cost will be passed on to you. For mutual fund recommendations, we will select the lowest expense share class available to us at the time. Generally, these will be No-Load, Advisor Class, or Institutional Share Class funds.

We offer Advisor-Managed Accounts with transaction fees included in your Advisory Fee as well as Accounts with transaction fees paid by your Advisor or by you. It will be determined by you and your Advisor at the time the account is opened, how the transaction fees will be paid.

In addition to our fee, you may be required to pay other charges such as: custodial fees; transaction fees; internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"); and other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectus for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses. If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

### **C. Unaffiliated Portfolio Managers Fees**

Compensation generally consists of the following elements: management and advisory fees shared by us, our advisory representatives, and the unaffiliated portfolio manager; transaction costs – if applicable – which may be paid to purchase and sell such securities; and custody fees. Your account will be held with the custodian utilized by the unaffiliated portfolio manager.

Fees are invoiced and collected by the unaffiliated portfolio manager in accordance with their program and are assessed and deducted from your account.

For complete fee details, including account fee schedule guidelines, please consult the unaffiliated portfolio manager's brochure, investment advisory contract and account opening documents.

### **D. Retirement Plan Consulting Services**

The Advisor will determine whether to bill the Company for Retirement Plan Consulting Services at a pre-determined hourly rate, a fixed fee, commissions, basis points based upon a percentage of Plan assets, or a combination thereof. Fees will be billed quarterly in advance or in arrears.

The client agreement may be terminated by us or the Company at any time upon 30 days' prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver payment. If we bill the Company in advance, our fee will be credited back to the Company on a pro-rata basis for the unused portion of the billing period. When we calculate the credit, we will subtract any unbilled work we performed for the Company prior to termination.

Our Advisor negotiates their own fee schedule based on the fee schedules outlined below:

Commissions: As broker of record for the Plan, based on the scope of services agreed upon and the payout rate(s) of the underlying investment product (selected by the Company or other named fiduciary) for the Plan, compensation is in the form of commissions, 12b-1 fees, and/or finder's fees paid by the product vendor.

These fees may Range from: 20 to 150 bps of Plan assets in the applicable investment product(s)

Fixed Fee: Based on the scope of services agreed upon in engagement, reasonable in light of geographical location, complexity of engagement, size of Plan, and other relevant factors.

These fees may Range from: \$500 - \$100,000

Hourly Fee: Based on estimate of hours needed as provided in engagement (Company must approve, in writing, hours above original engagement); reasonable in light of geographical location, complexity of engagement, size of Plan, and other relevant factors.

These fees may Range from: \$50 - \$300 per hour

Basis Points: Based on specific asset levels in Plan at dates provided in the engagement.  
Range: \$0 to \$20,000,000 10-100 bps of AUM \$20,000,001 to \$40,000,000 5-50 bps of AUM \$40,000,001 and above 3-25 bps of AUM

## **Item 6. Performance-Based Fees and Side-by-Side Management.**

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not offer performance-based fees on any of our client accounts.

## **Item 7. Types of Clients**

We provide advisory services primarily to individuals, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities including their pension and profit sharing plans. As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio size of \$50,000.

We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including: anticipated future earning capacity; anticipated future additional assets; account composition; related accounts; and pre-existing client relationships.

We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

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

### **A. Methods of Analysis and Investment Strategies.**

We select specific investments for your portfolio through the use of technical and fundamental analysis.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

**Investing in securities involves risk of loss that clients should be prepared to bear.**

Under the unaffiliated portfolio manager program, each manager will have its own method(s) of analysis, investment strategy(ies) and unique investment risk(s) that should also be reviewed and considered.

### **B. Material Risks of Investment Strategy.**

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we cannot guarantee, nor have we verified, its accuracy.

In addition, the data we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there can be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Technical Analysis we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

When pursuing our strategic long-term investing strategies, we are assuming the Financial Markets will go up in the long-term which cannot be assured. There is also the risk that the segment of the market in which you are invested, or perhaps just your particular investment, will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term creates an opportunity cost, "locking-up" assets that may be better utilized in the short-term in other investments.

All investments involve risks that can result in losses, such as: loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Additionally, these risks may include: market risk, interest rate risk, issuer risk, and general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss. You must also be aware that the use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you. When you short sell, your losses can be infinite. Additionally,

frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

## **C. Risk Associated with Particular Types of Recommended Securities.**

We generally recommend stocks, bonds, mutual funds, and ETFs to you. Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you perform poorly, which affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that a bond issuer is unable to pay the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Investing in mutual funds and ETFs involve the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Listed above are some of the primary risks associated with the way we recommend investments to you. Please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that an unaffiliated portfolio manager manage your assets, please refer to their ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

## **Item 9. Disciplinary Information.**

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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

### **A. Advisor (no BD applications pending)**

Certain of its associated persons and/or management persons are registered with a broker-dealer, but do not have an application pending to register as a new broker-dealer. Most of our Advisors are registered with FSC Securities Corporation, including Eric Antrobius (Managing Member of Firm) and Peter Krussel (Chief Compliance Officer of Firm).

### **B. Advisor (no other applications pending)**

Southland Equity Partners and its management persons are not registered and do not have an application pending to register as a futures commission merchant, commodity pool operator or commodity trading advisor.

### **C. Advisor (material relationships)**

Advisor is under common ownership with Service First Brokerage, Inc., a Master General Insurance Agency and independent marketing agency located in Charleston, West Virginia, owned by Eric Antrobius. The Managing Member and Southland's advisory representatives maintain licenses with a variety of insurance companies through their relationship with Service First Brokerage, Inc. Commissions may be earned by the Managing Partner and your advisory representative in relation to this business. Insurance purchased through this relationship may result in greater total compensation to the Managing Partner. Additionally, other than has been disclosed above, management persons do not maintain a relationship or arrangement with any broker-dealer, investment company, other investment advisor, futures commission merchant or banking or other financial institution, or professionals associated with the foregoing, that is material to Advisor's business or to Advisor's clients. Management and Advisors of the Firm may be associated with a broker-dealer. In our Firm's case, Advisors are registered to provide brokerage services. While a broker-dealer is not utilized to execute direct asset management services, the relationship with an Advisor's broker-dealer may be utilized to implement recommendations of a Financial Plan.

### **D. Advisor (potential compensation from other advisors)**

Southland Equity Partners may receive compensation for recommending or selecting third-party investment managers for clients. All referral agreements will be in compliance with the Investment Advisers Act of 1940. As required, clients will be provided with written disclosures describing the terms and fee arrangement between Southland Equity Partners and the applicable third-party manager at the time of the recommendation or selection.

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

Advisor and its related persons have a fiduciary duty to act in clients' best interests and to always place clients' interests before their own.

### **A. Code of Ethics.**

We have adopted a Code of Ethics ("Code") to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following: the duty at all times to place your interests ahead of ours; that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility; that advisory representatives may not

take inappropriate advantage of their positions; that information concerning the identity of your security holdings and financial circumstances are confidential; and that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

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

Advisor and its related persons do not participate in or have an interest in client transactions. Additionally, we do not buy or sell securities for our firm that we also recommend to clients

## **C. Personal Trading.**

Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is: owned by you; or considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures: require our advisory representatives and employees to act in your best interest; prohibit favoring one client over another; and provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

## **D. No Personal Trading when Trading Contemplated For or Being Effected in Client Accounts.**

Consistent with Item 11.C., neither Advisor nor its related persons will trade in a security that is (1) being considered for purchase or sale or (2) currently being purchased or sold, for a client to that client's detriment.

# **Item 12. Brokerage Practices.**

## **A. Factors in Recommending Broker-Dealers; Research and Other Benefits; Aggregation in Purchase and Sales of Securities.**

We may recommend certain broker-dealer and/or custodians ("custodian") for your account. The custodian will assist us in servicing your accounts. We are independently owned and operated and are not affiliated with the custodian. Our use of the custodian is, however, a beneficial business arrangement for us and for the custodian. Information regarding the benefits of this relationship is described below. We provide services listed in Item 4.B. above through Pershing, LLC and Fidelity Investments Institutional Operations Company.

In recommending the custodian responsible for executing transactions for your portfolios, we consider, at a minimum, the custodian's: existing relationship with us; financial strength; reputation; reporting capabilities; execution capabilities; pricing; and types and quality of research.

The determining factor in recommending a custodian to execute transactions for your account(s) is not the lowest possible transaction cost, but whether the custodian can provide what is, in our view, the best qualitative execution for your account.

The custodian provides us with access to its institutional trading and custody services, which includes: brokerage; custody; research; and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The custodian also makes available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that: (a) provide access to account data such as duplicate trade confirmations, bundled duplicate account statements, and access to an electronic communication network for client order entry and account information; (b) facilitate trade execution, including: access to a trading desk serving advisory participants exclusively and access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account; (c) provide research, pricing information and other market data; (d) facilitate payment of our fees from client accounts; (e) assist with back-office functions, record keeping and client reporting; and (f) receipt of compliance publications.

The custodian also makes available to us other services intended to help us manage and further develop our business. These services may include: consulting; publications and conferences on practice management; information technology; business succession; regulatory compliance; and marketing.

The custodian may also make available or arrange for these types of services to be provided to us by independent third parties. The custodian may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with the custodian, because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through the custodian may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by the custodian outweighs the benefit of possibly lower transaction costs which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained at through the custodian. We do not attempt to allocate these benefits to specific clients.

We may engage in bunched trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

## **B. Aggregation of Orders.**

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for the accounts of our employees and advisory representatives may be included in bunched trades. They receive the same average price and pay the same commissions and other transaction costs, as clients. Transactions for the accounts of our advisory representatives or employees will not be favored over transactions for client accounts.

We are not obligated to include any client account in a bunched trade. Bunched trades will not be placed for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

Advisor permits clients to direct brokerage. Advisor alerts all clients and potential clients that it may be unable to achieve the most favorable execution for client transactions as a result of using the broker-dealer selected by client. Directed brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because client may not be able to participate in aggregated orders to reduce transaction costs, or the client may receive less favorable prices. When Advisor becomes aware that such is the case it shall recommend one or more other broker-dealers to client, and should client desire to remain with its current broker-dealer thereafter, Advisor shall require that client provide a signed written statement to that effect.

## **Item 13. Review of Accounts.**

### **A. Periodic Review of Accounts.**

Upon account opening, your information is reviewed to determine whether a particular investment or strategy is suitable for you. In addition, each security purchase or sale effected by our Advisory Representative in your Account is monitored for suitability by an appointed supervisor. All accounts are reviewed on at least an annual basis by the Advisory Representative. Such reviews and consultation typically contain, when warranted, advice regarding recommended changes to your investments and recommendations for implementation of proposed changes.

### **B. Non-Periodic Review of Accounts.**

Your financial status, goals and objectives are reviewed and updated as needed. More frequent reviews may be triggered by factors including, but not limited to, your comfort level with the strategy, life changing events, changing markets which may dictate different strategies, and the availability of new products that may enhance portfolios. Significant market volatility or a change in a client's circumstances/investment objectives as communicated to Advisor also may lead to additional account reviews. Clients are required to provide notice to Advisor regarding any material changes in their circumstances or investment objectives.

### **C. Reports.**

Clients receive confirmation notices and regular statements at least quarterly from their custodian. Advisor shall be either copied on these communications or shall have online access to and obtain such information from clients' accounts.



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

### **A. Economic Benefits from Non-Clients.**

We receive certain economic benefits as a result of our participation in the custodian's institutional program. Those benefits are described in detail in Item 12 above entitled "Brokerage Practices."

We also receive a portion of the advisory fees charged on accounts referred to unaffiliated investment managers.

### **B. Compensation for Client Referrals.**

We do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

## **Item 15. Custody.**

The Advisor does not maintain custody of client funds or securities. Client's assets are on custody with a qualified custodian.

You will receive statements from the custodian that holds your investment account on at least a quarterly basis identifying the amount of funds and of each security in the account at the end of the reporting period and setting forth all transactions in the account during the reporting period.

We urge you to carefully review these statements. You should verify the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

## **Item 16. Investment Discretion.**

We offer our advisory services on a discretionary and non-discretionary basis. Discretionary means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. Non-discretionary means that we do need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts.

Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.) This discretion is used in a manner consistent with the stated investment objectives for your account.

Clients may grant Advisor discretionary authority to: (a) determine the type and amount of securities to buy and sell for client's account; and (b) implement such decisions with client's broker-dealer. Before accepting discretionary authority, the parties must enter into an Investment Management Agreement. A copy of a typical Investment Management Agreement granting discretionary authority is available upon request. Clients may impose restrictions on the purchase of specific securities or types of securities even when granting Advisor discretionary authority. Such restrictions would be set forth in the Investment Management Agreement.

As stated above, Advisor may also manage investments for clients on a non-discretionary basis with client approval required for all proposed transactions. In such instances Advisor may be granted authority to

complete transactions (subsequent to client approval) with client's broker-dealer or client may retain exclusive responsibility for executing transactions with the broker-dealer. These and any other investment and trading restrictions would be set forth in the Investment Advisory Agreement (non- discretionary accounts).

## **Item 17. Voting Client Securities.**

### **A. No Voting.**

Advisor does not accept from clients the authority to vote client securities.

### **B. Proxy Delivery and Solicitation.**

We do not take any action or give any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. Clients will receive their proxies and/or solicitation materials directly from their broker-dealer or from the transfer agent. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

## **Item 18. Financial Information.**

### **A. Prepayment.**

We do not solicit or require prepayment of fees greater than \$1,200 more than six months in advance.

### **B. Financial Condition.**

Advisor has sufficient financial resources and there exists no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you.

### **C. No Bankruptcy.**

Advisor has not been subject to a Bankruptcy proceeding.

## **Item 19. Requirements for State-Registered Advisors.**

Advisor is a SEC registered investment adviser, and is not required to provide information per this Item 19.