

# Wrap Fee Brochure

March 25, 2020

## **Flagship Harbor Advisors, LLC**

*A Registered Investment Adviser*  
SEC File Number 801-71997

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This wrap fee program brochure provides information about the qualifications and business practices of Flagship Harbor Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (857) 366-4982 or [John.Sawyer@flagshipharbor.com](mailto:John.Sawyer@flagshipharbor.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 Flagship Harbor Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Flagship Harbor Advisors, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

Since the last Annual Amendment filing on March 27, 2019, this brochure has not been materially amended. However, certain non-material changes have been made at Item 6 regarding financial planning and educational seminars. **ANY QUESTIONS: The Registrant's Chief Compliance Officer, John P. Sawyer, III, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

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## Item 4. Services, Fees, and Compensation

### Description of Services

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The Flagship Harbor Advisors Wrap Program (the “Program”) is an investment advisory program sponsored by Flagship Harbor Advisors, LLC (“Registrant”). The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. Registrant is a limited liability company formed on December 17, 2010 in the State of Massachusetts. Registrant became registered as an Investment Adviser Firm in December, 2010. Registrant is owned by David Kaufman. John P. Sawyer, III is the Registrant’s Chief Compliance Officer.

Registrant provides investment management services on a wrap fee basis in accordance with Registrant’s investment management wrap fee program (the “Program”). The services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in this Wrap Fee Program Brochure a copy of which is presented to all prospective Program participants. Under the Program, Registrant is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee ranges from 0.25% to 2.0% of the assets placed into the Program.

Under the Program, Registrant, if engaged on a discretionary basis, shall be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in the written agreement between each client and Registrant. Clients may change/amend these limitations, in writing, at any time. The client shall have reasonable access to one of Registrant’s investment professionals to discuss their account.

LPL Financial, a FINRA member broker-dealer (“LPL”) shall serve as the custodian for Program accounts.

To join the Program a person must:

- (1) Complete an investor profile that describes the client’s financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client’s specific financial situation (the “Investor Profile”) and any other supporting documentation required for the Program;
- (2) Complete the investment advisory wrap fee agreement (the “Program Agreement”) with Registrant and become a client of the Program;
- (3) Complete a new account agreement with LPL Financial (“LPL”) or another broker dealer approved by Registrant for participation in the Program (“Broker-Dealer”); and
- (4) Open a securities brokerage account with LPL or the Broker-Dealer (an “Account”) and deposit

those client assets designated for participation in the Program ("Program Assets") into the Account.

Please Note: Investment Performance: As a condition to participating in the Program, the participant must accept that past performance may not be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies purchased and/or undertaken by Registrant) may not: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

After an analysis of any information provided by the client to Registrant, Registrant shall assist the client in developing an appropriate investment strategy for the Program Assets in their Account(s) (the "Investment Strategy"). Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with Registrant and to keep Registrant informed of any changes thereto. Registrant shall contact clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their Investment Strategy.

### **Management of Your Portfolio**

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All clients in the Program shall grant Registrant discretionary authority to buy, sell, and otherwise trade in the type of securities described in Item 6 (below) for their Account(s) and to liquidate previously- purchased securities that the client has transferred to their Account(s). Program. Assets in the client's Account(s) shall be managed by one of Registrant's investment adviser representatives.

The Program may recommend that clients authorize the active discretionary management of certain Program Assets by and/or among one or more independent investment managers ("Independent Managers") to implement a particular Investment Strategy. The terms and conditions under which the client shall engage the Independent Manager(s) may be set forth in separate written agreements between the client and Registrant and (2) Registrant or client and the designated Independent Manager(s). Registrant shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the Program Assets being managed by the designated Independent Manager(s). Factors that Registrant shall consider in recommending Independent Manager(s) include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to Registrant's written disclosure statement, the client shall also receive the written disclosure statement of the designated Independent Manager(s).

Neither Registrant nor the client may assign the Program Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of Registrant shall not be considered an assignment.

### **Fees for Participation in the Program**

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Clients in the Program pay a single annualized fee for participation in the Program (the "Program Fee"). Registrant shall charge an annual fee based upon a percentage of the market value of the assets being managed by Registrant. Registrant's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Registrant on the last day of the previous quarter. The annual fee shall vary (between 0.25% and 2.00%) depending upon the market value of the assets under management. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

Registrant, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

Under the Program, clients receive both investment advisory services and the execution of transactions in securities for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client's Account(s), as well as the commissions charged for each transaction, will determine the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Clients may incur certain charges imposed by third parties in addition to the Program Fee such as fees charged by Independent Managers, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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.

## **Fees for Management During Partial Quarters of Service**

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For the initial period of participation in the Program, the Program Fee shall be calculated on a pro rata basis. The Program Agreement between Registrant and the client will continue in effect until terminated by either party pursuant to the terms of the Program Agreement. The Program Fee shall be prorated through the date of termination and any remaining balance shall be refunded to the client in a timely manner.

Additions may be in cash or securities provided that Registrant reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. Registrant may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the Program Fee with respect to such assets will be prorated based on the number of days remaining in the quarter.

Fee Differentials: As indicated above, Registrant shall receive an investment advisory fee based upon a percentage (%) of the market value of the assets placed under management (between 0.25% and 2.00%). However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client. Because we shall generally price our advisory services based upon various objective and subjective factors, our clients could pay diverse fees based upon a combination of factors, including but not limited to the market value of their assets, the complexity of the engagement, the level and scope of the overall investment advisory services to be rendered, and negotiations, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. Furthermore, since Registrant's representatives shall receive a portion of the advisory fee charged to the client, a material conflict of interest arises, because an increase in the management fee paid by the client may result in increased compensation received by Registrant's representative. Registrant's Chief Compliance Officer, John P. Sawyer, III, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.

Participation in the Program may cost more or less than purchasing such services separately. Also the Program fee charged by Registrant for participation in the Program may be higher or lower than those

charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by Registrant, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if Registrant were to negotiate transaction fees and seek best price and execution of transactions for the client's account.

Wrap Program-Conflict of Interest: Under Registrant's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. Because wrap program transaction fees and/or commissions are being paid by Registrant to the account custodian/broker-dealer, Registrant has an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. Registrant's Chief Compliance Officer, John P. Sawyer, III, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest.

The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, fees charged by SMAs and/or independent investment managers utilized to manage all or a portion of the client's portfolio, transaction charges(including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than LPL, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

Please Note: Clients who engage Registrant on a wrap fee basis will not incur brokerage commissions and/or transaction or asset based custodial fees in addition to the Program fee. Registrant's related persons who recommend the Program to clients do not receive compensation as a result of a client's participation in the wrap fee program.

Asset-Based Fees versus Transaction-Based Fee in the Wrap Programs: Custodians such as LPL are compensated for their services which include, but are not limited to execution, custody and reporting. LPL can charge a fixed percentage fee for its services based upon the dollar amount of the assets placed in its custody and/or on their platform (for example: if LPL was to charge an annual percentage of the market value of the client assets in its custody, the fee would include the execution of all account transactions). This is referred to as an "Asset-Based Fee." In the alternative, rather than a fixed percentage fee based



upon the market value of the assets in its custody, LPL could charge a separate fee for the execution of each transaction. This is referred to as a “Transaction-Based Fee.” Under a Transaction Based fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account. Because Registrant cannot predict the markets and the amount of trading that will occur in a client account, Registrant generally favors Asset-Based pricing within its wrap program offering because it will fix the amount of the fee paid in relation to trade execution, regardless of the number of transactions that are placed for the account. However, Registrant, on an annual basis, will conduct a sampling to confirm its belief (given the inability to predict the markets and the corresponding amount of trading that will occur) that Asset-Based pricing continues to be beneficial for its clients.

## **Item 5. Account Requirements and Types of Clients**

The types of clients in the Program include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. Registrant, in its sole discretion, may reduce its investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

### **Minimums Imposed By Independent Managers**

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Registrant does not impose a minimum portfolio size or minimum annual fee for participating in the Program. Certain Independent Managers may, however, impose more restrictive account requirements and varying billing practices than Registrant. In such instances, Registrant may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

## **Item 6. Portfolio Manager Selection and Evaluation**

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

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Registrant’s primary methods of analysis are fundamental and technical. Each of Registrant’s investment adviser representatives may deviate in their investment strategy. In developing its analysis, Registrant also relies on software-driven analysis that may incorporate the philosophies discussed below.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. Registrant will analyze the financial condition, capabilities of management, earnings, new products and

services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Registrant will be able to accurately predict such a reoccurrence.

Registrant may allocate a portion of a client's Program assets among unaffiliated independent investment managers or separately managed accounts in accordance with the client's designated investment objective(s). In such situations, the other manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated Program assets. Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Registrant shall consider in recommending the other manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Registrant acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by Registrant, a conflict of interest arises in that Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by Registrant as a result of the client's participation in the Program may be more than what Registrant would receive if the client paid separately for investment advice, brokerage and other services.

As the Program sponsor, Registrant shall be responsible for the primary management of the Program, including the selection and termination of all independent investment managers and separately managed accounts. Once selected, an independent investment managers or separately managed account manager shall be responsible for day-to-day management and selection of securities for the account.

As discussed below, Registrant also offers to its clients discretionary and/or nondiscretionary investment advisory services, on a non-wrap fee basis. To the extent that a client authorizes the use of margin, and margin is thereafter employed by Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Registrant will not be

increased. While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

The profitability of a significant portion of Registrant's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Registrant will be able to predict those price movements accurately.

An investment in a mutual fund or ETF (collectively, "Funds") involves risk, including the loss of principal. Funds are subject to secondary market trading risks. Shares of Funds will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a Fund's exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the Fund may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price that an investor would buy or sell the Fund at. The per share NAV of a Fund is calculated at the end of each business day, and fluctuates with changes in the market value of the Fund's holdings. The trading prices of a Fund's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the ETF's shares trading at a premium or discount to NAV.

Registrant may recommend the use of options for certain clients. Options allow Registrant to hedge (limit) certain losses on positions clients hold. The option allows Registrant to buy or sell a security at a certain price (not the current market price). Clients pay a fee for the option. If the option falls outside the money (i.e., the market price of the security does not justify purchasing/selling the security at the option price), the client will lose the fee for that option.

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## Other Advisory Business Services

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Investment Advisory Services: The client can determine to engage Registrant to provide discretionary and/or non-discretionary investment advisory services on a non-wrap fee basis. (See discussion below). If the client determines to engage Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

Non-Wrap Fee Basis: The client can determine to engage Registrant to provide discretionary and/or non-discretionary investment advisory services on a fee basis. Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Registrant's management, generally between 0.25% and 2.00%. Registrant's annual investment advisory fee shall be based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under Registrant's direct management, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. (See also Fee Differential discussion above.) Before engaging Registrant to provide investment advisory services, clients are required to enter into a discretionary Investment Advisory Agreement, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided.

Financial Planning and Consulting Services (Stand-Alone): As noted above, Registrant may be engaged to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$300 to \$15,000 on a fixed fee basis, and from \$100 to \$300 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Registrant to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including certain of Registrant's representatives in their individual capacities as registered representatives of LPL Financial ("LPL") and/or in their capacities as licensed insurance agents. (See disclosure below at Items 10.C below). The client is under no obligation to engage the services of any such recommended professionals. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively

from and against the engaged professional. If, and when, Registrant is involved in a specific matter (i.e. estate planning, insurance, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, insurance agent, etc.), and not Registrant that is responsible for the quality and competency of the services provided. Please Also Note: It remains the client's responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

Financial Planning and Consulting Services: Registrant may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). These services include business planning, investments, insurance, retirement, education, estate planning, and tax and cash flow needs of the client.

In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Registrant may recommend the services of itself, its Advisory Affiliates in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Registrant recommends its own services. The client is under no obligation to act upon any of the recommendations made by Registrant under a financial planning / consulting engagement and/or engage the services of any such recommended professional, including Registrant itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Registrant's recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services.

### **Miscellaneous Advisory Services Disclosure**

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Limitations of Financial Planning and Non-Investment Consulting/Implementation Services: As indicated above, to the extent requested by a client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Registrant does not serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning documents or tax returns. Neither the Registrant nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. Accordingly, Registrant does not prepare estate planning documents or tax returns. In addition, the Registrant does not monitor a

client's financial plan, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.), including representatives of Registrant in their separate individual capacities as representatives of LPL Financial, a FINRA member broker-dealer ("LPL") and/or as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. Please Note: If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. Attorney, accountant, insurance agent, etc.), and not Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note-Conflict of Interest:** The recommendation by Registrant's representative that a client purchase a securities or insurance commission product through Registrant's representative in their separate and individual capacity as a registered representative of LPL and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase securities and insurance products recommended by Registrant through other, non-affiliated broker-dealers and/or insurance agents. **Registrant's Chief Compliance Officer, John P. Sawyer, III, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Variable Annuity Management: Registrant may also render discretionary investment management services to clients relative to variable annuity products that they may own. In so doing, The Welch Group directs the allocation of client assets among the various mutual fund sub-divisions which comprise the variable annuity product based upon the investment objectives of the client.

Retirement Rollovers - Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn

new (or increase its current) compensation as a result of the rollover. No client is under any obligation to rollover retirement plan assets to an account managed by Registrant. **Registrant's Chief Compliance Officer, John P. Sawyer, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.**

Use of Mutual Funds and Exchange Traded Funds: While Registrant may recommend allocating investment assets to mutual funds and exchange traded funds that are not available directly to the public, Registrant may also recommend that clients allocate investment assets to publicly-available mutual funds and exchange traded funds that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds or exchange traded funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services. Please Note: In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **Registrant's Chief Compliance Officer, John P. Sawyer III, remains available to address any questions that a client or prospective client may have regarding the above.**

Please Note - Use of DFA Mutual Funds: Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through selected registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply.

Structured Notes: Registrant may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited.

Portfolio Activity: Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Cash Balances: Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee. ANY QUESTIONS: The Registrant's Chief Compliance Officer, John P. Sawyer III, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.

Please Note: Non-Discretionary Service Limitations: Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's consent.

MoneyGuidePro/eMoney Advisor Platform: Registrant may provide its clients with access to an online platform hosted by MoneyGuidePro ("MoneyGuide") or by eMoney Advisor/Wealth Vision ("eMoney"). Moneyguide and eMoney are software products that Registrant pays for entirely. The client does not pay for this subscription. The MoneyGuide and eMoney platforms allow a client to view their complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Registrant, shall be exclusively responsible for such investment performance. The client may choose to engage Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Registrant and the client. The MoneyGuide and eMoney



platforms also provide access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the MoneyGuide or eMoney platforms without Registrant's assistance or oversight. In the event the client desires that Registrant provide investment management services (whereby Registrant would have trading authority) with respect to the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the Investment Advisory Agreement between Registrant and the client. In addition, the eMoney platform, as well as, MoneyGuidePro provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant.

Unaffiliated Private Investment Funds: Registrant may provide investment advice regarding unaffiliated private investment funds. Registrant, on a non-discretionary basis, may also recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Valuation: In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a

further updated value. Please Also Note: As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client's advisory fee shall be based upon the value reflected on the report.

**Independent managers:** When selecting an Independent Manager for a client, the Registrant shall review information about the Independent Manager(s) such as its disclosure statement and/or material supplied by the Independent Manager(s) or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available. Factors that the Registrant shall consider in selecting Independent Manager(s) include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the wrap fee program sponsor and corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, the Registrant's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by the Registrant, the designated Independent Manager(s), wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian.

Client Obligations: In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

Disclosure Statement: A copy of Registrant's written Brochure as set forth on Part2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement.

Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Registrant's services.

Please Note: There is no material difference between how Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (See Item 4.A). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

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

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Neither Registrant nor any supervised person of Registrant accepts performance based fees.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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Registrant shall utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note - Investment Risk: Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Registrant must have access to current/new market information. Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Currently, Registrant primarily allocates client investment assets among various individual equity securities, mutual funds (primary investment vehicle) and/or exchange traded funds ("ETFs"), SMAs and independent investment managers, on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s).

### Proxy Voting

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Registrant, on a limited basis, accepts the authority to vote a client's securities (i.e. proxies) on their behalf. When Registrant accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special considerations, which are fully described in Registrant's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Registrant's Proxy Voting Policies and Procedures, as they may be amended from time to time. Clients may contact Registrant to request information about how Registrant voted proxies for that client's securities or to get a copy of Registrant's Proxy Voting Policies and Procedures. A brief summary of Registrant's Proxy Voting Policies and Procedures are as follows:

- Registrant has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients (or delegating that responsibility), and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee, or person(s) affiliated with Registrant to whom the responsibility was delegated, will vote proxies according to Registrant's then current Proxy Voting Guidelines. The

Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti- takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.

- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since Corporate governance issues are diverse and continually evolving, Registrant devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Registrant to vote on a particular solicitation but can revoke Registrant's authority to vote proxies.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Registrant maintains with persons having an interest in the outcome of certain votes, Registrant takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

### **Item 7. Client Information Provided to Portfolio Managers**

Registrant shall be the Program's portfolio manager. Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Registrant's services.

As indicated above, each client is advised that it remains their responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

To the extent the Program utilizes independent investment managers, Registrant shall provide the independent investment managers with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to Registrant shall be communicated to the independent investment managers within a reasonable period of time.

## Item 8. Client Contact with Portfolio Managers

There are no restrictions on a client's ability to contact and consult with Registrant.

Clients may contact Independent Managers through Registrant by providing Registrant with a written request and identification of the questions or issues to be discussed with the Independent Manager(s). After receiving the client's written request Registrant shall, at its sole discretion, contact the Independent Manager(s) for the client or arrange for the Independent Manager(s) and the client to communicate directly.

## Item 9. Additional Information

### Disciplinary Information

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In a Consent Order dated October 2, 2017 ("the First Order"), Registrant entered into a settlement with the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth ("the Securities Division"), related to allegations that Registrant failed to register one of its Supervised Persons as an investment adviser representative of Registrant with the Securities Division. Pursuant to the First Order, Registrant paid restitution in the amount of \$294,131.08 and an administrative fine in the amount of \$93,900.

In a Consent Order dated November 29, 2018 ("the Second Order"), Registrant entered into a settlement with the State of New Hampshire Bureau of Securities Regulation ("the Bureau"), related to allegations that Registrant failed to register one of its Supervised Persons as an investment adviser representative of Registrant with the Bureau. Pursuant to the Second Order, Registrant paid an administrative fine in the amount of \$10,000.

### Other Financial Industry Activities and Affiliations

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Registered Representatives of LPL: Certain of Registrant's investment advisor representatives are registered representatives of LPL, a FINRA member broker-dealer. Clients may choose to engage, these representatives in their individual capacities as registered representatives of LPL, to implement investment recommendations on a commission basis.

Licensed Insurance Agents: Certain of Registrant's investment advisor representatives are, in their individual capacities, licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients may engage these representatives to effect insurance transactions on a commission basis.

Conflict of Interest: The recommendation by Registrant or its representatives that a client purchase an insurance or securities commission product presents a conflict of interest. The recommendation to purchase a securities and/or insurance commission product is a conflict because the receipt of commissions and/or fees may provide an incentive for the recommendation based on commissions and/or fees to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives. Clients are reminded that they may purchase securities and/or insurance products recommended by Registrant through other, registered representatives of a broker-dealer and/or non-affiliated insurance agents. **Registrant's Chief Compliance Officer, John P. Sawyer, III, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

### Code of Ethics

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Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Registrant or any person associated with Registrant.

Neither Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.

Registrant and/or representatives of Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the

Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Registrant's clients) and other potentially abusive practices. Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Registrant's "Access Persons". Registrant's securities transaction policy requires that Access Person of Registrant must provide

the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Registrant selects; provided, however that at any time that Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

Registrant and/or representatives of Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above, Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

### **Review of Accounts and General Reports**

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For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by Registrant's Principals. All investment supervisory clients are advised that it remains their responsibility to advise Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Registrant on an annual basis.

Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

### **Client Referrals and Other Compensation**

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As discussed below, Registrant receives an economic benefit from LPL. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at LPL as a result of this arrangement.



There is no corresponding commitment made by the Registrant to LPL or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Registrant does not compensate any non-supervised person for client referrals.

Research and Additional Benefits: Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from LPL (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at LPL as a result of this arrangement. There is no corresponding commitment made by Registrant to LPL or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Additional Benefits: Registrant has received from various wholesalers, certain additional economic benefits ("Additional Benefits") that may or may not be offered to Registrant again in the future. Specifically, the Additional Benefits include partial payment for certain marketing expenses for the benefit of Registrant

Software and Support Provided by Financial Institutions: The Registrant may receive from LPL, without cost to the Registrant, computer software and related systems support, which allow the Registrant to better monitor client accounts maintained at LPL. The Registrant may receive the software and related support without cost because the Registrant renders investment management services to clients that maintain

assets at LPL. The software and support is not provided in connection with securities transactions of clients (i.e. not “soft dollars”). The software and related systems support may benefit the Registrant, but not its clients directly. In fulfilling its duties to its clients, the Registrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Registrant’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Registrant’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Specifically, the Registrant receives the following benefits from LPL: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its registered investment advisor group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

In addition, the Registrant receives funds to be used toward qualifying third-party service providers for research, marketing, compliance, technology and software platforms and services. These services include: practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by the Registrant in furtherance of the operation and development of its investment advisory business.

Transition Assistance Benefits to Advisory Affiliates: LPL provides various benefits and payments to certain Advisory Affiliates of the Registrant that are registered representatives of LPL who are new to LPL platform to assist the Advisory Affiliates with the costs (including foregone revenues during account transition) associated with transitioning business from his or her prior firm to the LPL Financial platform (collectively referred to as “Transition Assistance”). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Advisory Affiliate’s business, satisfying any outstanding debt owed to the Advisory Affiliate’s prior firm, offsetting account transfer fees payable to LPL as a result of the Advisory Affiliate’s clients transitioning to LPL’s custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Advisory Affiliate at his or her prior firm. Such payments are generally based on the size of the Advisory Affiliate’s business established at his or her prior firm and/or

assets under custody on the LPL.

Transition Assistance payments and other benefits are provided to associated persons of the Registrant in their capacity as registered representatives of LPL. However, the receipt of Transition Assistance by such Advisory Affiliates creates conflicts of interest relating to Registrant's advisory business because it creates a financial incentive for the Registrant's representatives to recommend that its clients maintain their accounts with LPL. In certain instances, the receipt of such benefits is dependent on the Advisory Affiliate's maintaining its clients' assets with LPL and therefore Registrant has an incentive to recommend that clients maintain their account with LPL in order to generate such benefits.

Registrant attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Advisory Affiliate. The Registrant considers LPL's full range of services, including among others, the value of research provided, execution capability, commission rates, and responsiveness when recommending or requiring that clients maintain accounts with LPL. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL.

#### Forgivable Loans-Conflict of Interest:

As discussed above, certain of Registrant's representatives are registered representatives of LPL. LPL has established several forgivable and repayable loans with certain of these registered representatives. As such, these individuals received from LPL additional economic benefits ("Forgivable Loans"). The terms of the LPL Forgivable Loans require that each individual meet or exceed certain production requirements (commissions and fees received by LPL attributed to the individual's production in a registered representative capacity) for a period of three years after joining LPL before the loans are forgiven.

Clearing and custodial arrangements with LPL, any of LPL's affiliates as described herein do not and will not in any way affect, or relate or pertain to, the LPL Forgivable Loans.

Registrant's Chief Compliance Officer, John P. Sawyer, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest that is created.

Various wholesalers may make various payments on an infrequent and irregular basis to third party service providers, on behalf of Registrant in connection with marketing events. Each payment is non-recurring and

individually negotiated. Registrant has no expectation that these Additional Benefits will be offered again; however, Registrant reserves the right to negotiate for these Additional Benefits in the future. Wholesalers provide the Additional Benefits to Registrant at their sole discretion and at their own expense, and neither Registrant nor its clients pay any fees to wholesalers for the Additional Benefits. Registrant and the wholesalers have not entered into any written agreement to govern the Additional Benefits. **Registrant's Chief Compliance Officer, John P. Sawyer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

### Financial Information

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Registrant is not required to disclose any financial information pursuant to this Item due to the following:

- Registrant does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- Registrant does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- Registrant has not been the subject of a bankruptcy petition at any time during the past ten years.