



**Signature Securities Group Corp.**

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**March 29, 2021**

**FORM ADV PART 2A  
BROCHURE**

This brochure provides information about the qualifications and business practices of Signature Securities Group Corp. If you have any questions about the contents of this brochure, please contact us at (646) 822-1475. 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 Signature Securities Group Corp. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for the firm is 104233.

Signature Securities Group Corp. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

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

Since our last annual updating amendment dated March 30, 2020, there have been no material changes to report.

### Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance-Based Fees and Side-By-Side Management	Page 8
Item 7 Types of Clients	Page 9
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 9
Item 9 Disciplinary Information	Page 10
Item 10 Other Financial Industry Activities and Affiliations	Page 10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 11
Item 12 Brokerage Practices	Page 12
Item 13 Review of Accounts	Page 14
Item 14 Client Referrals and Other Compensation	Page 14
Item 15 Custody	Page 15
Item 16 Investment Discretion	Page 15
Item 17 Voting Client Securities	Page 15
Item 18 Financial Information	Page 16
Item 19 Requirements for State-Registered Advisers	Page 16
Item 20 Additional Information	Page 16

## Item 4 Advisory Business

### Description of Services and Fees

Signature Securities Group Corp. ("Signature") is registered with the United State Securities and Exchange Commission as an investment adviser. Signature is a corporation formed under the laws of the State of New York and we have been providing investment advisory services since 2002. We are also a registered insurance agency and broker-dealer, member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). We are a wholly owned subsidiary of Signature Bank, a New York State chartered bank and member of the Federal Deposit Insurance Corporation.

As used in this brochure, our Associated Persons are our firm's management, employees, and all individuals providing investment advice on behalf of our firm. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") throughout this Brochure. As used in this brochure, the words "we", "our" and "us" refer to Signature and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Some of our Associated Persons are also registered representatives of our firm, acting in its capacity as a broker-dealer, and/or licensed insurance agents. Our Investment Adviser Representatives provide investment advisory services in their capacities as IARs and they also provide securities brokerage services in their capacities as registered representatives.

We provide investment management services, which are tailored to meet your individual needs and investment objectives. Our investment management services are offered through a Wrap Fee Program and through non-wrap accounts (described herein) utilizing third party managers, mutual funds and exchange traded funds.

In our Wrap Fee Program, the Managed Account Solutions Program, we provide investment management services for a single fee that includes investment management fees as well as custodial and transaction/commission costs. We receive a portion of the wrap fee we charge to you. If you participate in the Managed Account Solutions Program, we will provide you with a separate Wrap Fee Program Brochure explaining the Program and the fees we receive for our wrap account services. In the Managed Account Solutions Program, we provide investment management through a partnership with Envestnet Asset Management ("Envestnet") and their contracted Third Party Advisers ("TPAs"). Accounts are invested with TPAs, mutual funds and exchange traded funds ("ETF"). In the Managed Account Solutions Program, IARs have the capability to direct the allocation of client assets in mutual funds and/or Exchange Traded Funds. Please refer to our Wrap Fee Program Brochure for further details of the Program.

For our non-wrap services, we will recommend an allocation of your assets amongst various TPAs, mutual funds, exchange traded funds and alternative investments. A Signature IAR will first meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. In consultation with you and based on suitability information, Signature will prepare a long-term investment strategy which will be memorialized in an Investment Policy Statement. As part of and in accordance with that strategy, SSG will advise you regarding asset class allocation and, on a discretionary basis, will select, monitor and replace (if appropriate) investment managers and investment funds for investment of your Account. Moreover, SSG will provide you periodic review and reporting on the investment performance of the assets in your Account, as well as reallocate those assets among asset classes and/or investment managers if SSG considers reallocation appropriate. Accordingly, you appoint SSG as your investment manager to act on your behalf with authority to buy, sell and otherwise effect investment transactions for the assets in your Account, and SSG accepts that appointment.

We require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to re-allocate your assets without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm or trading authorization forms.

We use the services of LPL Financial LLC, a registered investment adviser, to provide us with certain services, which include TPA, mutual fund, ETF and alternative investment product due diligence, research and recommendations, asset allocation research, and client performance evaluation reporting and other client reporting. For the services provided by LPL Financial, we pay a fixed quarterly fee directly to LPL Financial, as well as a per account fee directly paid to LPL Financial on accounts for which LPL Financial provides client performance evaluation and reporting. In some cases, where we are not providing investment management services, and are purely providing reporting services for the client, we may pass this fee on to the client.

Our annual fee is payable quarterly in advance based on the market value of the assets under management on the last day of the preceding calendar quarter. Fees will be assessed pro rata in the event the client agreement is executed at any time other than the first day of a calendar quarter which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our fee is based on a percentage of assets under management and can be negotiated based on the following annualized fee schedule:

MARKET VALUE	ANNUAL FEE
up to \$1,000,000	1.50%
next \$9,000,000	1.00%
next \$10,000,000	0.50%
above \$20,000,000	0.40%

Third party Advisers' fees are separate and apart from our fees. Advisory fees that you pay to the TPA are established and payable in accordance with the disclosure brochure provided by each TPA. These fees may or may not be negotiable. You should review the recommended TPA's disclosure brochure and take into consideration the TPA's fees along with our fees to determine the total amount of fees associated with this program. We will deduct our fees directly from your account through the qualified custodian holding your funds and securities. In certain instances arrangements can be made to send you an invoice for the payment of our advisory fee. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

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

You will also be required to enter into investment advisory agreements with the TPAs managing your account. You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA.

You may make additions to and withdrawals from the account at any time, subject to our right to terminate an account. If assets of \$100,000 or more are deposited into a Schwab and/or Fidelity account after the inception of a quarter, a one-time fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. You may withdraw account assets by providing us with notice, subject to the usual and customary securities settlement procedures. For partial withdrawals during a quarterly billing period of \$100,000 or more out of Schwab and/or Fidelity, we will credit our unearned fee towards the next quarter's fee. However, we design portfolios as long-term investments and assets withdrawals may impair the achievement of your investment objectives.

Additions to your account may be in cash or securities provided that we reserve the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. We may consult with you about the options and ramifications of transferring securities. However, 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. Fees will be charged on cash positions held within client accounts.

You must promptly notify us if there are ever any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon our management services.

### **Types of Investments**

We may provide advice on a variety of investments however we primarily allocate our clients' assets amongst mutual funds, exchange traded funds, and third party advisers.

### **Assets Under Management**

As of December 31, 2020, we provide continuous management services for \$811,341,329 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

Please refer to the *Advisory Business* section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds, ETFs and alternative investments. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses and/or deferred sales charges. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities, odd lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian.

To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

## **Compensation for the Sale of Securities or Other Investment Products**

### *Securities*

In addition to providing investment advice, IARs can also act in a capacity as registered representatives of Signature's Broker-Dealer. As registered representatives for client brokerage accounts they receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products ("mutual funds"). Compensation earned by these persons in their capacities as registered representatives is separate from the advisory fee we charge in advisory accounts. If you have a both a brokerage account and an advisory account you would be charged commission in the brokerage account and an advisory fee for the investment advisory account. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions in brokerage accounts for the purpose of generating commissions rather than solely based on your needs. When suitable, we generally recommend no-load mutual funds for advisory accounts. You are under no obligation, contractually or otherwise, to buy or sell securities products through any person affiliated with our firm.

### *Insurance*

In addition, we are a licensed insurance agency and some Associated Persons are also licensed as insurance agents through SSG, and can sell insurance products (i.e. annuities, life, health, and long-term care products) and earn commissions from such sales. Insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through our firm or through any Associated Person, in his/her capacity as an insurance agent.

## **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

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

An employee will typically have four options:

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



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

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

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

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

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

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



## Item 7 Types of Clients

We offer investment advisory services to individuals, high net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, insurance companies, and other business entities.

We do not have a minimum account size or minimum annual fee. Certain Third Party Advisers may, however, impose minimum account sizes, more restrictive account requirements and varying billing practices.

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

### Methods of Analysis and Investment Strategies

We advise you on how to allocate your assets among various mutual funds, ETFs, alternative investments, and/or third party investment advisers.

We utilize LPL Financial LLC (LPL's recent acquisition and name change from Fortigent to LPL Financial LLC; hereafter is referred to as LPL Financial) to provide us with due diligence and recommendations of mutual funds, exchange traded funds and third party advisers. We review LPL Financials recommendations and due diligence before making recommendations to our clients.

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

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

Custodians will default to the FIFO (First In First Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to your Investment Adviser Representative immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### Risk of Loss

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

### Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure we primarily allocate our clients' assets amongst mutual funds, exchange traded funds, alternative investments and third party advisers.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. We strive on a best effort basis to invest in the class of shares with the lowest total expense (expense analysis will include a review of 12B-1 fees).

TPAs and Alternative Investment Managers will manage client's accounts in accordance with the particular TPA's and Alternative Investment Manager's methods of analysis and investment strategies as disclosed in the TPA's and Alternative Managers Disclosure Brochure which will be provided to clients.

## **Item 9 Disciplinary Information**

Our firm and our employees do not have any investment advisor reportable disclosures. Additional information about the firm, other advisory firms, or an associated representative is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search for firms or associate personnel can be accomplished by name or firm identifier, known as an IARD/CRD number. The IARD/CRD number for Signature Securities Group Corporation is 104233. Additionally, your Investment Adviser Representative background information can be accessed via FINRA Broker-Check at <https://brokercheck.finra.org>.

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

Investment Adviser Representatives are registered representatives with our firm, in its capacity as a broker-dealer and receive commission based compensation for selling securities in brokerage accounts. Commissions from the sale of securities are separate and apart from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives.

We are also licensed as an insurance agency. Some IARs of our firm are also licensed insurance agents through SSG. Our firm and IARs, acting in their capacity as insurance agents, will earn commission-based compensation for selling insurance products. Insurance commissions are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Our Parent Company, Signature Bank, a New York State chartered bank and member of the FDIC, offers banking and credit services, cash management and financing services. We will refer clients in need of such services to Signature Bank. There is an inherent conflict of interest given the common ownership of the firms and in that we will exclusively refer clients in need of banking and credit services to Signature Bank. The fees charged by our firm are separate and apart from the fees charged by Signature Bank. Signature Bank may not charge the lowest fees available and comparable services from other banks may be available for lower fees than Signature charges. You are under no obligation, contractually or otherwise, to use Signature bank for banking or any other services.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our employees are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to clients and prospective clients upon request. You may obtain a copy of our Code of Ethics by contacting us at (646) 822-1475.

### **Agency Cross Transactions**

In very limited circumstances, Envestnet/Fidelity may engage in agency cross transactions where Envestnet/Fidelity may effect transactions between a client's accounts and the accounts of other individuals and/or entities which may include clients of our firm (i.e. arranging for the client's securities trades by "crossing" these trades with securities transactions of other advisory and non-advisory clients). Envestnet/Fidelity will only engage in agency cross transactions when Envestnet/Fidelity believes that such transactions are beneficial to the client.

### **Personal Trading Practices**

Investment Adviser Representatives associated with our firm may buy or sell the same securities for their own accounts as those purchased for clients by Third Party Advisers. Because our Investment Adviser Representatives do not have advance knowledge of when and what specific securities are traded by Third Party Advisers for client accounts, in the event our Investment Adviser Representatives purchased or sold the same securities in advance of those traded by Third Party Advisers, such trading in advance would occur unbeknownst to our Investment Adviser Representatives.

### **Conflicts of Interest**

The standard of conduct at SSG is that all staff, management, and board members scrupulously avoid conflicts of interest between the interests of SSG on one hand, and personal, professional, and business interests on the other. This includes striving to avoid potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

It is our duty to protect the integrity of SSG's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputations of staff, management and board members. Upon or before election, hiring or appointment, we will make disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. The standard of conduct is meant to supplement good judgment, and to avoid the potential of perceived conflict.

## Item 12 Brokerage Practices

As discussed herein, Investment Adviser Representatives are also registered representatives with our Firm in its capacity as a broker-dealer. These Associated Persons are subject to FINRA's Rule 3280, which restricts registered representatives from conducting securities transactions away from our firm unless we provide written consent. Therefore, clients are advised that dually registered Investment Adviser Representatives may be restricted to conducting securities transactions through our firm or custodians approved by our firm.

Signature has an arrangement with Fidelity LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") and Charles Schwab & Co. (Schwab) through which Fidelity and Schwab provides Signature with services. The services include, among others, brokerage, custody, and other related services. The services that assist Signature in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, record-keeping and client reporting.

Fidelity and Schwab also offer other services intended to help Signature manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third-party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business-related services and technology with whom Signature may contract directly.

As indicated previously, we utilize the brokerage and custodial services of Fidelity and Schwab. We may receive from Fidelity/Schwab, without cost, computer software and related systems support, which allow us to better monitor client accounts maintained at Fidelity/Schwab. We may receive the software and related support services as indicated above without cost because we render investment management services to clients that maintain assets at Fidelity/Schwab. The software and related services may benefit us, but not our clients directly. In fulfilling its duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware; however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, we may receive the following benefits from Fidelity/Schwab : 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.

Factors which we consider in recommending Fidelity and Schwab to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity enables us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity and/or Schwab may be higher or lower than those charged by other broker-dealers. A client may pay a commission and/or transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into

consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions. If you request us to arrange for the execution of securities brokerage transactions for your account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution.

Brokerage transactions may be directed to certain broker dealers in return for investment research products and/or services which assist us in our investment decision-making process. Such research generally will be used to service all of our clients, but brokerage commissions, and or transaction fees paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest. However, we mitigate this conflict in that we do not solely consider research products and other services in our evaluation of best execution and consider the overall quality of the services provided.

Signature is independently operated and owned and is not affiliated with Fidelity or Schwab.

### **Block Trading**

Transactions for each client generally will be effected independently, unless the custodian and /or TPA decides to purchase or sell the same securities for several clients at approximately the same time ("block trade" or "aggregate"). The custodian and/or TPA may (but are not obligated to) aggregate such orders to obtain best execution, to obtain more favorable commission rates, and/or transaction costs, or to allocate equitably among clients, differences in prices and commissions or other transaction costs, that might have been obtained had such orders been placed independently. If orders are aggregated under this procedure, the custodian and/or TPA will distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to the custodian and/or TPA's discretion regarding factual and market conditions, when the custodian and/or TPA combines orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs.

### **Trade Errors**

From time-to-time, we may make an error in submitting a trade order on your behalf. In these situations, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

If a trade error results in a profit and Fidelity is the custodian, all monthly net gains (after offsetting any trade error losses) from trade error profits will be donated to charity and you will not keep the profit.

If a trade error results in a profit, and Schwab is the custodian, you will keep the profit unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the profit does not remain in your account and Schwab is the custodian, Schwab donates gains of \$100 or more to charity. If a loss occurs greater than \$100, our firm will pay for the loss. Schwab may retain gains of \$100 or less, if they are not kept in your account, to offset administrative expenses. Generally, if related trade errors result in both gains and losses in your account, they may be netted.



## Item 13 Review of Accounts

We monitor client accounts as part of an ongoing process and conduct regular account reviews on at least a semi-annual basis. Such reviews are conducted by your IAR and/or Investment Management Personnel. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with their Investment Adviser Representative to keep us informed of any changes thereto. We contact you at least annually to review our services and/or recommendations and to discuss the impact resulting from any changes in your financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. This is the record of assets held on your behalf. Client accounts on the LPL Financial platform are provided with quarterly performance reports in addition to client statements. This quarterly report will only be generated if the account has been established and remains in force for a full quarter (this report is for information purposes only).

## Item 14 Client Referrals and Other Compensation

### Client Referrals

If a client is introduced to us by either an unaffiliated or an affiliated solicitor, we may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from our investment management fee, and shall not result in any additional charge to you. If a client is introduced to us by an unaffiliated solicitor, the solicitor will provide the client with a copy of our brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's Disclosure Statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of our firm shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of our written disclosure statement at the time of the solicitation.

We have a referral arrangement with our parent company, Signature Bank, whereby we pay referral fees to Signature Bank's employees for referring us clients. Signature Bank employees may refer clients in need of investment advisory services to us.

### Other Compensation

As disclosed under the "Fees and Compensation" section in this brochure, we are also a registered broker-dealer and licensed insurance agency. In addition, persons providing investment advice on behalf of our firm may be licensed insurance agents, and are registered representatives with our firm. For information on the conflicts of interest this presents, please refer to the "Fees and Compensation" section. Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Fidelity and Schwab.

## **Item 15 Custody**

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review those statements and you should compare the account statement received from the custodian with any statements you receive from us and/or LPL Financial or other TPA. If you have a question regarding your account statement or if you did not receive a statement from your custodian(s), please contact us at (646) 822-1475.

## **Item 16 Investment Discretion**

Before we can allocate assets on your behalf, you must first sign our discretionary management agreement. By signing our discretionary management agreement, you grant our firm the discretion over the selection and amount of securities to be purchased or sold for your account(s) and to re-allocate your assets amongst the third party advisers or Alternative Investment Managers without your approval prior to each transaction. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

However, our investment authority may be subject to specified conditions you impose. For example, you may specify that the investments be restricted to certain types of third party advisers or investments. Such restrictions/guidelines may affect the composition and performance of your portfolio and/or our ability to meet your investment objectives.

## **Item 17 Voting Client Securities**

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts; however certain Third Party Advisers may vote proxies. Please refer to the Third Party Adviser's disclosure brochure and/or advisory agreement for further information. In the event the TPA does not vote proxies, if you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

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

### **Class Action Lawsuits**

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



## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- Require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- Take custody of client funds or securities, or
- Have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State-Registered Advisers

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

## Item 20 Additional Information

### Privacy Notice

Federal law requires us to tell you how we collect, share and protect your personal information. Our privacy policy has not changed and you may review our policy and practices with respect to your personal information at:

[https://www.signatureny.com/docs/default-source/privacy-security/privacy-notice.pdf?](https://www.signatureny.com/docs/default-source/privacy-security/privacy-notice.pdf?sfvrsn=23cf9768_12)

[sfvrsn=23cf9768\\_12](https://www.signatureny.com/docs/default-source/privacy-security/privacy-notice.pdf?sfvrsn=23cf9768_12) or we will mail you a free copy upon request if you call us at 1-866-sigline (1-866-744-5463).