

**ITEM 1. COVER PAGE**

**Investment Advisor Brochure**

Form ADV Part 2A  
Disclosure Statement

**NAVELLIER & ASSOCIATES, INC.**

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March 26, 2021

Navellier & Associates, Inc. is a registered investment adviser. This registration does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Navellier & Associates, Inc. (“Navellier”). If you have any questions about the contents of this brochure, please contact us at 775-785-2300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Navellier is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. Our firm’s CRD number is 107568.

## **ITEM 2. MATERIAL CHANGES**

We discuss in this item only material changes since the last update of our brochure dated July 14, 2020.

On February 13, 2020 the District Court granted partial summary judgement in favor of the SEC on its claims that Navellier and Mr. Navellier violated ~ (sections) 206(1) and 206(2) by disseminating allegedly false Vireo marketing material to clients that contained allegedly false statements that the strategy upon which the Vireo AlphaSector Allocator and Vireo Alpha Sector Premium strategies was based had been live traded since 2001 and was not back-tested. The District Court subsequently dismissed the SEC's remaining claims with prejudice.

Navellier and Mr. Navellier strenuously deny that the marketing materials contained those statements and assert that the statements that were actually made in the Vireo marketing materials were true, i.e., they made no false and misleading statements; allegedly false statements were not material and there was no scienter.

On June 2, 2020 the District Court issued a Final Judgement reiterating its erroneous summary judgement decision and awarding the SEC nearly \$29 million in "disgorgement" of gains and prejudgment interest plus \$2.5 million in penalties as a supposed result of the 206(1) and (2) "violations" and enjoined them from violating sections 206(1) and (2) in the future. Navellier and Mr. Navellier deny that there is any legal or factual basis for disgorgement, especially since the Supreme Court's recent decision in *Liu vs. SEC*. Navellier's clients were not given false information, the allegedly violative statements were immaterial, and the clients were not harmed and in fact received over \$211 million in profits from Navellier's Vireo AlphaSector investment advice and any equitable accounting applying the law set forth in *Liu* would result in no disgorgement or at most a total of \$24,681 in disgorgement and prejudgment interest thereon. Navellier and Mr. Navellier have appealed that Final Judgement and strongly believe that it will be reversed on appeal.

An appeal to the First Circuit Court of Appeals from the District Court judgement was filed on June 4, 2020 by Navellier & Associates and Mr. Navellier. On June 12, 2020 the SEC instituted administrative proceedings with the SEC to sanction or possibly deregister Navellier & Associates and Mr. Navellier based on the erroneous final judgement. On July 2, 2020 the First Circuit Court of Appeals temporarily stayed further proceeding by the SEC including the administrative proceedings. In September 2020, the first circuit court of appeals remanded to the district court to issue findings of fact and conclusions of law in light of *Liu vs. SEC*. The questions of remedies, i.e., discouragement if any, violations if any, injunctions if any, censures if any, penalties if any, are pending and being reconsidered by the district court.

Effective June 15, 2020 Navellier & Associates is no longer sub-advisor to Cavalier Fundamental Growth Fund.

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## **ITEM 4. ADVISORY BUSINESS**

This brochure explains Navellier's advisory business and provides important information about our operations. We encourage you to read this brochure completely and carefully. You may contact us at the number provided on the cover page if you have any questions or to request another copy of this brochure, free of charge.

Navellier registered with the SEC in 1987 as a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). We provide investment advisory services and manage investment advisory accounts for taxable and tax-exempt clients, including individuals, trusts, estates, charitable organizations and endowments, professional and religious organizations, corporations, pension plans, Taft-Hartley plans, and open-end investment companies. We are headquartered in Reno, Nevada.

Navellier is independent and 100% owned by Louis G. Navellier.

### **Individual Portfolio Management**

Navellier specializes in the quantitative construction of securities portfolios covering a broad range of investment styles (growth, value, international, global, and combinations of these) and market capitalization (micro, small, mid, large, and combinations of these). We use a multi-step screening process that incorporates fundamental and quantitative analysis to construct our portfolios.

We primarily manage accounts on a discretionary basis and have full authority in determining which securities are purchased and sold. On a case-by-case basis, we will tailor our advisory services to the individual needs of clients. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry groups. All portfolios are reviewed on a monthly or quarterly basis, and if necessary, the portfolio will be rebalanced. We also offer accounts on a non-discretionary basis.

Navellier participates in certain Wrap Fee or Managed Account Programs in which clients pay an "all-in" fee that includes brokerage fees and charges and our management fee. Navellier may not have discretionary authority to select the brokerage firm or the commission rates to be paid for Wrap Fee or Managed Account Program accounts we manage. In addition, some clients direct Navellier to use a particular broker (i.e., a custodian broker, a Wrap Fee or Managed Account Program broker, a referring broker, or simply the client's personal choice). In all these cases, the client may pay a higher commission or receive smaller discounts than if Navellier had discretion to choose a broker or may receive a worse price for the security than other clients for the same security. (Please refer to Item 12, Brokerage Practices, for more information regarding brokerage selection.)

Navellier offers the following strategies:

- Navellier Large Cap Growth
- Navellier Small-to-Mid Cap Growth
- Navellier Mid Cap Growth
- Navellier Small Cap Growth
- Navellier All Cap Core
- Navellier Fundamental 'A'
- Navellier Power Dividend
- Navellier Concentrated High Dividend
- Navellier Vantage
- Navellier Defensive Alpha Portfolio
- Navellier Libertas 30
- Navellier High Dividend Income
- Navellier Tactical U.S. Equity Sector Plus
- Navellier Tactical U.S. Equity Sector Plus featuring AlphaDEX®
- Navellier Tactical Global Allocation Plus
- Navellier Tactical Global Allocation Plus featuring AlphaDEX®
- Navellier Covered Call Income
- Navellier Concentrated Covered Call Income
- Navellier Concentrated Covered Call Growth

From time to time, Navellier will construct a customized portfolio upon request and at our discretion. (Please review Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss, for more detailed information regarding the strategies listed above.)

Money market reserves or cash equivalents will typically range between 0% and 20% for managed accounts. Our Covered Call, Large Cap Tactical, Power Dividend, Defensive Alpha, and Navellier Tactical strategies may take higher money market reserves or cash equivalent positions. (Please see Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss, for more information.)

## **Research Assistance**

Navellier receives research from several persons or entities, which Navellier may or may not use in connection with its exercise of investment discretion as to the following Navellier strategies:

***Defensive Alpha Portfolio:*** Navellier receives investment research which it may or may not use in connection with our Navellier Defensive Alpha Portfolio. The Langsen Group provides this research to Navellier. Navellier pays a fee to The Langsen Group for its research. (Please review Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss, or the firm's website, [www.navellier.com](http://www.navellier.com), for more detailed information regarding the strategy.)

***Navellier Tactical Strategies:*** Until March 1, 2019, Navellier, as part of its own research and Management received investment research from Helix Technology® Ltd., which we had discretion to follow, not follow or modify, to manage our Navellier Tactical strategies. Navellier no longer uses any of that research. The strategies were and still are based on our internal research and management with no material change in management of these strategies. Navellier Tactical products include the following strategies:

- Navellier Tactical U.S. Equity Sector Plus
- Navellier Tactical U.S. Equity Sector Plus featuring AlphaDEX®
- Navellier Tactical Global Allocation Plus
- Navellier Tactical Global Allocation Plus featuring AlphaDEX®
- Navellier Libertas 30

***Signals:*** Navellier also provides for a fee to investment advisors and brokers on a periodic basis signals as to what trades Navellier has made for particular Navellier investment strategies. We do not have investment discretion over the accounts managed by these investment advisors or brokers. We do not have trading, advisory, or any other responsibilities for their portfolios, which we do not manage. We do not have an advisory relationship with these investment advisers' or brokers' clients.

## **Private Client Group**

Navellier reviews the financial situation and goals of interested individual investors and offers them a customized, diversified investment portfolio designed to attempt to achieve their indicated investment goals using various Navellier strategies. (Please review Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss, for more detailed information regarding Navellier's investment strategies.) Although each client's portfolio is unique, most clients can be grouped into four broad categories according to their goals and risk tolerances: Conservative Income, Conservative Blend, Moderate Blend, and Aggressive. We then personalize from the broad categories based on what we believe best suits the client's investment goals and risk tolerances and create a custom Navellier strategy mix. We will not take physical custody of client's assets, so clients must have an account with a brokerage firm or qualified custodian. There is no charge or obligation to clients for us to review and offer investment options. Private Client Group clients can choose to pay either an annual fixed fee based on the value of the clients' assets under management or a performance based fee (if they qualify) for our investment advisory services. Please refer to Item 6, "Performance-Based Fees" and "Performance-Based Fee Disclosures" below for all qualifications and more information.

## **Advisory Services**

In addition to providing the above investment advisory services, Navellier is a consultant for Advisors Asset Management, Inc. (“AAM”). AAM sponsors, underwrites, and distributes a wide array of unit investment trusts (“UITs”), including Navellier/Dial High Income Opportunities. Navellier selects debt or equity securities according to selection criteria set by AAM for inclusion in the UIT series. In the case of the Navellier/Dial High Income Opportunities series, Navellier has a contract arrangement with Dial Capital Management, LLC for assistance selecting securities. Navellier’s assets under management do include UIT assets; they are categorized as non-discretionary.

Navellier also occasionally manages custom accounts by request.

### **Assets Under Management**

As of December 31, 2020, Navellier actively manages \$590,724,465 in client assets on a discretionary basis and manages \$399,226,965 in client assets on a non-discretionary basis (the non-discretionary assets are AAM UIT assets).

## **ITEM 5. FEES AND COMPENSATION**

Fees are negotiable. It is the client’s responsibility to determine if the fees Navellier charges are suitable. Our fees may be higher than other investment advisers offering similar services. Management fees are sometimes subject to negotiation and renegotiation. Our fees cover investment advisory, including money market funds or ETFs, reporting, and account-related services. In some cases, we may share a portion of our advisory fee with other advisers or brokerage firms in return for client referrals. This creates a potential conflict of interest whenever we have an opportunity to refer a potential client to an adviser or brokerage firm or receive a referral from a firm with which we share our advisory fees. Such referrals may or may not be in the client’s best interest, and we may be biased towards such referring or referred advisory or brokerage firms. Navellier attempts to resolve such potential conflicts of interest by clearly disclosing the fee sharing arrangement and the potential for conflicts of interest before we open any client account with other advisers or brokerage firms where we share any advisory fees. We provide pro-rata refunds.

While we do not maintain physical custody of any client assets, depending on the agreement with the client, we may be allowed to authorize the custodian to debit the client account the amount of our advisory fees and include on the monthly statement notification of the deduction for advisory fees. You can select this method of advisory fee payment on the Investment Advisory Agreement you sign with Navellier. If you choose to not have fees directly deducted from your account by the custodian, we will send you a quarterly invoice. You are responsible for any tax liabilities that result from any transactions.

You will incur brokerage and other transaction costs related to your accounts. Navellier’s fees do not cover any execution-related expenses, commissions and margin interest, if any, securities exchange fees, or other fees required by law or charged by the broker-dealer with custody of your account. (Please refer to Item 12, Brokerage Practices, for further information regarding brokerage fees.) From time to time, our defensive strategy accounts may hold significant amounts of cash, usually represented by money market fund or an ETF. We generally reduce our fees allocable to cash held in your account more than 90 days.

Our management fees may vary from the applicable schedule below due to a particular client’s circumstances or as otherwise negotiated with the client or its intermediaries, or in connection with our participation in a wrap fee or other structured money management program. Our fee may vary depending on factors such as the type of client, the level of client assets under management, and the existence of an intermediary relationship, among other things.

Similar accounts may have different fee schedules based on the historical nature of the accounts or through negotiation with the client. From time to time, and under agreed-upon specific situations, we may reduce a client’s advisory fee on a case-by-case basis.

Navellier generally offers two management fee options:

- 1) ***Fees Based on Assets Under Management:*** In addition to variations described in item 5 above, fees based on assets under management for the services provided by Navellier to the client generally range depending on

the particular investment strategy from an annual fee of 0.30% to 1.25% of assets under management, except for the Navellier Private Client Group whose fee structures are different and are described more fully below. Fees are accrued daily and are calculated and payable in advance on a quarterly basis, unless negotiated otherwise. Navellier calculates fees based on the market value of the account as of the first business day of each calendar quarter. In the case of the first quarter under management, we calculate fees on the effective inception date of the account and, in the event the account becomes effective after the first day of the calendar quarter, fees are calculated proportionately based on the number of days remaining in the quarter. There is no minimum fee. If the client terminates an account before the last day of a calendar quarter, we will refund the client a pro-rata portion of previously paid fees based on the number of days remaining in the calendar quarter. Clients typically authorize the custodian to withdraw any outstanding fees owed to Navellier directly from their account following termination of the account.

The portfolio value Navellier uses to calculate fees is the bank's or securities broker's month-end or quarterly statement. In the event the client's portfolio contains securities for which no readily available market quotations exist, we determine the value of such securities, for purposes of fee computation, based on a quotation by an independent market maker or specialist for the security.

- 2) **Performance-Based Fees:** Performance-Based fees are available to qualified clients who meet all requirements of the then current SEC Rule 205-3 immediately upon entering into a management agreement with Navellier.

Performance-Based fees are accrued daily and payable annually beginning twelve (12) months after the client executes an Investment Advisory Agreement and becomes effective with respect to an account and annually thereafter. Navellier calculates fees, as outlined on the Investment Advisory Agreement between the client and Navellier, on the amount of increase, if any, in the net market value of the account in the preceding twelve (12) month period after deduction of all fees and commissions paid (including fees and commissions charged by the broker-dealer or other custodian of the account and accounting for all net investment income and gains, whether realized or unrealized). There is no minimum fee. In the event there is a net loss at the end of a year, we will not charge any fee that year. Any such losses will be carried forward and applied against any profits accrued in the following year for purposes of calculating fees in the following year.

We use the client's statements from the bank or brokerage firm with custody of client's account to calculate any profits for billing purposes. In the event the client terminates his or her Investment Advisory Agreement during the first year (before the close of the first annual billing cycle), we will charge the client fees based on 0.90% per annum of the assets under management in the account as of the termination date. If the client terminates the Investment Advisory Agreement after the first full annual billing cycle, we will charge the client a fee of 10% of net profits from the beginning of the previous paid billing period (or from the inception date if there was no last paid billing period) through the termination date (a period of no more than 12 months). In such a case, any fees previously paid as a result of profits during the period in question will be subtracted from the fees owed on the closing invoice. Clients typically authorize the custodian to withdraw any outstanding fees owed to Navellier directly from their account following termination of the Investment Advisory Agreement. If the client's portfolio contains securities for which no readily available market quotations exist, the value of such securities will be determined, for purposes of fee computation, based on a quotation by an independent market maker or specialist for the security. (Please refer to Item 6, Performance-Based Fees, for further information on performance-based fees.)

## **Performance-Based Fee Disclosures**

In the interest of full and fair disclosure and fully informed consent, clients are advised of the following possibilities arising from fees based on performance provided in our Investment Advisory Agreements:

- 1) Performance-Based fee arrangements may create an incentive for Navellier to make investments that are more risky or more speculative than might be the case for a fee based on assets under management.
- 2) Navellier may receive increased compensation (compared to a fee based on assets under management) based on unrealized appreciation as well as realized gains on assets in client's account. The period used to measure such increases for purposes of determining the performance fee is annually beginning on the date the performance-based fee agreement is signed by the client and ending twelve (12) months later.

- 3) Navellier offers other investment programs that have lower fee structures. These other programs follow different investment styles and strategies and involve different levels of trading activity and investment management services.

(Please refer to Item 6, Performance-Based Fees, for further information on performance-based fees.)

### **Fees for Private Client Group**

The following fee schedule shows the typical fees Private Client Group (PCG) clients pay for the services provided by Navellier based on the client's assets under management. Fees are accrued daily and are calculated and payable in advance on a quarterly basis, unless negotiated otherwise. Navellier calculates fees based on the market value of the account as of the first business day of each calendar quarter. Please see "Fees Based on Assets Under Management" above for more information on the calculation of fees based on assets under management.

<i>PCG Client Assets</i>	<i>Annual Management Fee</i>
\$500,000 to \$1,500,000	1.00%
\$1,500,001 to \$2,500,000	0.85%
\$2,500,001 to \$5,000,000	0.70%
\$5,000,000 +	0.60%

Our minimum account size for PCG separate accounts when aggregated is typically \$500,000 but we may accept smaller accounts at our discretion. Accounts under the minimum aggregate account size will be billed at an annual rate of 1.25%. Existing client accounts when aggregated that fall under \$500,000 because of withdrawals will be billed at a rate of 1.25%.

Private Client Group clients are also offered the Performance-Based fee structure, as long as they are qualified investors according to the then current SEC Rule 205-3. Please refer to Item 6, "Performance-Based Fees" and "Performance-Based Fee Disclosures" above for all qualifications and more information.

### **Investment Company Shares; Exchange Traded Funds; Free Cash Balances**

The fees and costs of any Investment Company, including ETFs, in which our portfolios may invest, will not be deducted from the management fees clients pay Navellier for our services.

Cash balances for Navellier's Large Cap Tactical, Power Dividend, and Defensive Alpha strategies may at times be significant. Cash balances may be held in money market account shares or ETFs. We will not charge investment advisory fees allocable to investments in cash or cash equivalents that are held in such investments for more than 90 days.

Cash balances for Navellier's Covered Call strategies may at times be significant. This is due to several factors, including that (i) selling call options increases cash positions, (ii) positions must be rounded to 100 share lots for each option contract to be fully covered, and (iii) covered call positions may be "called away" if the option price is less than the stock price. We will not charge investment advisory fees allocable to investments in cash or cash equivalents that are held in such investments for more than 90 days.

## **ITEM 6. PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

### **Performance-Based Fees**

As we disclosed in Item 5, Fees and Compensation, Navellier will accept performance-based fees from clients as long as they qualify. We calculate a performance-based fee based on a share of capital gains on or capital appreciation of the client's assets. To qualify for a performance-based fee arrangement, a client must meet all requirements of the then current SEC Rule 205-3 upon entering into a management agreement with Navellier.

Clients should be aware that performance-based fee arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

Furthermore, as Navellier also has clients that do not pay performance-based fees, we may, in theory, have an incentive to favor accounts that do pay such fees because the compensation we receive from these clients may be more directly tied to the performance of their accounts. Navellier addresses this potential conflict of interest by rotating the trading of groups of strategy accounts to ensure no account or groups of accounts receive preferential treatment.

(Please refer to Item 5, Fees and Compensation, for further information regarding performance-based fees).

### **Side-by-Side Management**

Side-by-side management refers to an investment adviser's business of managing accounts with similar investment objectives ("similar accounts") and strategies simultaneously. When engaging in side-by-side management, the potential for conflicts of interest exists when Navellier and our employees and supervised persons allocate their time and services.

To the extent the same securities might be desirable for more than one account, determining how to allocate them could create potential conflicts of interest. In addition to the potential performance-based fees conflicts of interest discussed above, other potential conflicts may include that we have a proprietary investment in similar accounts; investment personnel, including portfolio managers, have an investment interest in similar accounts; or the order in which accounts make investment opportunities so that the transactions in one similar account closely follow related transactions in another account.

Navellier has established policies and procedures designed to address these potential conflicts of interest. Navellier places each account in a trading group. We rotate trading groups within each strategy to ensure no account or groups of accounts receive preferential treatment. Various factors exist, however, that may result in trades for a client not being aggregated with batched trades for other clients and clients receiving either a higher or lower price for the same security. For example, should clients instruct us to direct all or a percentage of their trades to a specific broker or certain operation, differences inherent in the trade execution process may result in trades being affected either before or after trades for other clients. (Please refer to Item 12, Brokerage Practices, for further information on the aggregation and allocation of trades and directed brokerage.) Also, for example, investment advisors and brokers who pay Navellier to receive signals regarding Navellier's various investment strategies may advise their clients to trade in securities which Navellier trades for its clients. Similar accounts managed by Navellier may develop significant differences in holdings and performance due to a variety of factors, such as account restrictions, account size, cash flows, tax status, and the timing and executions of transactions.

## **ITEM 7. TYPES OF CLIENTS**

Navellier may not necessarily at all times provide advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trusts
- Charitable organizations and endowments
- Estates
- Professional and religious organizations
- Corporations
- Pension and profit sharing plans
- State or municipal government entities
- Taft-Hartley plans

Our minimum account size for institutional separate accounts would typically be \$1,000,000. Our minimum account size for wrap fee programs and certain financial intermediary programs varies by program. Under certain instances, we will accept smaller account sizes or reject larger accounts.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

### Methods of Analysis

For portfolios Navellier constructs internally, we employ a bottom-up, multiple-step quantitative and fundamental screening process. Each investment strategy involves a variation of our proprietary fundamental and quantitative analysis for portfolio construction. We perform all of our research internally.

As discussed in Item 4, Advisory Business, Navellier participates in a limited number of arrangements where we receive research from persons or entities which we may or may not use in whole or in part or not at all in the exercise of our investment discretion. Such arrangements are in place for the Defensive Alpha Portfolio. All of our strategies are driven by quantitative analysis. For further information on the investment process for these strategies, please refer to the respective strategy descriptions below.

**Quantitative Analysis:** We use mathematical models in our attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Risks for All Forms of Analysis:** Investment in securities involves substantial risk and has the potential for partial or complete loss of assets invested. Clients should be prepared to bear this risk. Our security analysis methods rely on the assumption that the data for the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities is accurate and unbiased. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### Investment Strategies

Navellier offers the following strategies to our clients, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. You can review risks associated with each strategy following the strategy descriptions.

**Navellier Large Cap Growth Portfolio:** The Navellier Large Cap Growth Portfolio is designed for aggressive investors seeking long-term capital appreciation from well-established large cap companies. The portfolio's investment objective is to achieve the highest possible returns, while controlling risk. This is a "concentrated" portfolio that invests in companies with market caps greater than \$1 billion. The strategy can hold up to 10% in stocks with market caps between \$1 and \$10 billion and may hold up to 15% in American Depositary Receipts (ADRs). Typically, the portfolio invests in approximately 40 to 50 stocks that pass both Navellier's stringent quantitative and fundamental criteria. The primary performance benchmark is the Russell 1000 Growth Index.

**Navellier Small-to-Mid Cap Growth Portfolio:** The Navellier Small-to-Mid Cap Growth Portfolio is designed for aggressive investors seeking long-term capital appreciation through investments in small and medium sized companies. The portfolio's investment objective is to achieve the highest possible returns, while controlling risk. Smaller cap stocks typically have a higher degree of risk than larger cap stocks. This is a "concentrated" portfolio that typically holds 30 to 50 stocks that pass both Navellier's stringent quantitative and fundamental criteria. The primary performance benchmark is the Russell 2000 Growth Index.

**Navellier Mid Cap Growth Portfolio:** The Navellier Mid Cap Growth Portfolio is designed for aggressive investors seeking long-term capital appreciation through investments in medium sized companies. The portfolio's investment objective is to achieve the highest possible returns, while controlling risk. The portfolio typically holds 60 to 75 stocks that pass both Navellier's stringent quantitative and fundamental criteria. The primary performance benchmark is the Russell Mid Cap Growth Index.

**Navellier Small Cap Growth Portfolio:** The Navellier Small Cap Growth Portfolio is designed for aggressive investors seeking capital appreciation from small cap companies. This is a "concentrated" portfolio that typically

invests in approximately 40 to 60 stocks that pass both Navellier's stringent quantitative and fundamental criteria. Small cap stocks typically have a higher degree of risk than larger cap stocks. The primary performance benchmark is the Russell 2000 Growth Index.

***Navellier All Cap Core Portfolio:*** The Navellier All Cap Core Portfolio is designed for aggressive investors and seeks to achieve the highest possible returns while controlling risk. At any given time, the portfolio may be concentrated in any of the three capitalization ranges (large, mid, small) and may be focused on growth or value securities with one or neither dominating. The portfolio typically holds 30 to 50 stocks. The primary performance benchmark is the Russell 3000 Index.

***Navellier Fundamental 'A' Portfolio:*** The Navellier Fundamental 'A' Portfolio is designed for aggressive investors seeking capital appreciation from a select group of companies across a broad capitalization range. The Fundamental 'A' Portfolio stocks are a mix of value, growth, domestic, and international stocks. This is a "concentrated" portfolio that typically holds 25 to 50 stocks and has demonstrated a high level of historical turnover, which may generate significant taxable gains and increased trading expenses; therefore, it should not be considered tax-efficient. It is also unlikely to generate any long-term capital gains. The portfolio typically trades more frequently than other Navellier offerings, and thus is not suitable for commission-based accounts. The appropriate benchmark for performance comparison is the Russell 3000 Index.

***Navellier Power Dividend Portfolio:*** The Navellier Power Dividend Portfolio is designed for investors seeking to capitalize on the best opportunities within the group of publicly traded companies that pay dividends. Navellier evaluates an initial universe of all common stocks over \$250 million in market cap that pay dividends. The portfolio can also invest in dividend-paying ETFs. Typically, stocks in this portfolio exhibit positive return on equity and positive return on assets. In addition, they usually have higher free cash flow than what they pay in dividends and are usually companies that are growing dividends faster than the rate of inflation. This is a "concentrated" portfolio that typically holds 15 to 25 stocks. Statistical measures may be used in an attempt to identify unusual price movements in individual stock prices, which may result in higher-than-average turnover and cash positions for the portfolio. Higher turnover may generate significant taxable gains and increased trading expenses. The appropriate benchmark for performance comparison is the Russell 3000 Index.

***Navellier Concentrated High Dividend Portfolio:*** The Navellier Concentrated High Dividend Portfolio is highly concentrated and focuses on identifying dividend-paying stocks with significant potential for appreciation. The portfolio invests in U.S. listed equities and Master Limited Partnerships (MLPs) with market caps greater than \$1 billion. At any given time, the portfolio may hold up to 30% in American Depositary Receipts (ADRs). This is a "concentrated" portfolio that typically invests in 8 to 12 stocks. The primary performance benchmark is the Russell 1000 Index.

***Navellier Large Cap Tactical:*** The Navellier Large Cap Tactical Portfolio is designed for equity investors seeking exposure to the large cap market segment. In addition, the portfolio invests in inverse and leveraged ETFs. The portfolio's investment objective is long-term capital appreciation and to control downside risk through the ability to raise substantial cash positions, up to 75%. The portfolio typically holds 60 to 100 stocks. The primary performance benchmark is the Russell 1000 Index.

***Navellier Vantage Portfolio:*** The Navellier Vantage Portfolio is designed for aggressive investors and seeks to achieve the highest possible returns while controlling risk. The portfolio's investment process is not style or capitalization specific and may allocate assets across the entire spectrum of capitalization ranges (i.e., micro, small, mid, and large cap stocks) and may from time to time concentrate on a blend of growth and value stocks (which may from time to time be equally or unequally weighted), or exclusively value stocks, or exclusively growth stocks. At any given time, the portfolio may be concentrated in any one of the four capitalization ranges. The portfolio is designed to construct an optimal portfolio by taking into account the returns, volatility, and correlation of each asset class. The optimization process provides a strategic mechanism to shift assets to market cap segments that have the highest potential to generate an optimal risk-adjusted portfolio. The portfolio typically holds 60 to 130 stocks. The primary performance benchmark is the Russell 3000 Growth Index.

***Navellier Defensive Alpha Portfolio:*** The Navellier Defensive Alpha Portfolio is designed for investors seeking capital appreciation while controlling downside risk. The portfolio invests in a select group of companies with market capitalizations greater than \$3 billion and typically exhibiting positive 3-month price momentum. Equity and cash

allocations are determined by a proprietary “Dynamic Asset Allocation” model that allows the portfolio to respond to changing market conditions and has an objective of capital preservation and upside capture. This is a “concentrated” portfolio that can hold up to 20 stocks and can build a defensive cash position of up to 100%. The portfolio has demonstrated a high level of historical turnover, which may generate significant taxable gains and increased trading expenses; therefore, it should not be considered tax-efficient. It is also unlikely to generate any long-term capital gains. The portfolio typically trades more frequently than other Navellier offerings, and thus is not suitable for commission-based accounts. The appropriate benchmark for performance comparison is the S&P 500 Index. Navellier pays a licensing fee to The Langsen Group to provide investment recommendations. (Please refer to Item 4, Adviser Services, for further information.)

***Navellier Global Macro Allocation Portfolio (GMAP):*** The Navellier GMAP strategy invests in long and inverse ETFs in domestic and foreign equities, long-term Treasuries, and commodities and asset classes. The portfolio increases the allocation to inverse ETFs as markets become more volatile. The portfolio tends to be long-biased during less volatile market conditions. The portfolio typically holds 10 to 12 ETFs. The primary performance benchmark is the S&P 500 Index.

***Navellier High Dividend Income Portfolio:*** The Navellier High Dividend Income Portfolio is designed to hold REIT and Limited Partnership securities that are selected based upon their propensity to offer attractive income and total return potential. In many cases, these types of investments typically have K-1 tax reporting requirements associated with them, so investors should consult with their personal tax professional prior to using the strategy. The strategy typically holds approximately 40-60 securities. The primary performance benchmark is the Russell 3000 Index.

***Navellier Fundamental Growth Portfolio:*** Up Market Strategy - A quantitative screening process identifies stocks characterized by high alphas and then ranked based on fundamental criteria including (but not limited to) sales growth, operating margins, earnings momentum, cash flow, and return on equity. The investment methodology typically gravitates toward stocks displaying strong sales and earnings growth. Selective dividend stocks are analyzed and considered for inclusion in the strategy and may help counterbalance vulnerabilities in some growth stocks. Down Market Strategy Tactical overlay seeks to identify price inflection points and can move assets to fixed income investments staggered across the yield curve when markets begin to deteriorate. Typically, the strategy invests in approximately 50 stocks that pass Navellier's stringent quantitative and fundamental criteria. The primary performance benchmark is the Russell 3000 Index.

## **Navellier Tactical ETF Strategies**

***Navellier Tactical U.S. Equity Sector Plus Portfolio:*** The Navellier Tactical U.S. Equity Sector Plus Portfolio is a tactical, defensive strategy designed for investors who seek an allocation within the U.S. equity markets. The portfolio invests in five equity sector ETFs and under certain circumstances takes defensive positions by investing in three bond ETFs staggered along the yield curve – the portfolio can have a 100% allocation to these bond ETFs. The portfolio uses a proprietary analytical in house system incorporating moving averages to help identify when to switch between stock and bond ETFs. The primary performance benchmark is the S&P 500 Index.

***Navellier Tactical U.S. Equity Sector Plus featuring AlphaDEX® Portfolio:*** The Navellier Tactical U.S. Equity Sector Plus featuring AlphaDEX® Portfolio is a tactical, defensive strategy designed for investors who seek an allocation within the U.S. equity markets. The portfolio invests in five AlphaDEX® equity sector ETFs and under certain circumstances takes defensive positions by investing in three bond ETFs staggered along the yield curve – the portfolio can have a 100% allocation to these bond ETFs. The portfolio uses a proprietary analytical in house system incorporating moving averages to help identify when to switch between stock and bond ETFs. The primary performance benchmark is the S&P 500 Index.

***Navellier Tactical Global Allocation Plus Portfolio:*** The Navellier Tactical Global Allocation Plus Portfolio is a tactical, defensive strategy designed for investors who seek broad diversification across major asset classes in a single account. The portfolio invests in five equity sector ETFs, two international ETFs, two ETFs representing alternative investments, three fixed income ETFs, an S&P 500 SPDR, and under certain circumstances takes defensive positions by investing in three additional bond ETFs staggered along the yield curve – the portfolio can have a 100% allocation to these bond ETFs. The portfolio uses a proprietary analytical in house system incorporating moving averages to help identify when to switch between stock and bond ETFs. The primary

performance benchmark is a blended benchmark comprised of the S&P 500 (45%), MSCI World ex U.S. (25%), and U.S. Aggregate Bond Index (30%).

**Navellier Tactical Global Allocation Plus featuring AlphaDEX® Portfolio:** The Navellier Tactical Global Allocation Plus featuring AlphaDEX® Portfolio is a tactical, defensive strategy designed for investors who seek broad diversification across major asset classes in a single account. The portfolio invests in five AlphaDEX® equity sector ETFs, two AlphaDEX® international ETFs, two ETFs representing alternative investments, three fixed income ETFs, an S&P 500 SPDR, and under certain circumstances takes defensive positions by investing in three additional bond ETFs staggered along the yield curve – the portfolio can have a 100% allocation to these bond ETFs. The portfolio uses a proprietary analytical system incorporating moving averages to help identify when to switch between stock and bond ETFs. The primary performance benchmark is a blended benchmark comprised of the S&P500 (45%), MSCI World ex U.S. (25%), and Barclay’s U.S. Aggregate Bond Index (30%).

**Navellier Libertas 30 Portfolio:** The Navellier Libertas 30 Portfolio is a global balanced, defensive portfolio that has the potential to invest in domestic equity sector ETFs, international ETFs, fixed income ETFs, ETFs representing alternative investments, and takes defensive positions by investing in a cash equivalent, such as money market funds. The strategy can raise up to 100% cash when conditions warrant. All ETFs in the universe are ranked based on a weighted, quantitative multi-factor model relative to the S&P 500 and to cash to determine timing, allocation, positioning, and overall portfolio risk. Based on the model ranking, the strategy typically holds 8 to 10 ETFs. The strategy uses moving averages to identify changes in the market. These moving averages produce signals that indicate when the portfolio should move in and out of ETFs and cash. This strategy is more aggressive than other similar Navellier strategies. The primary performance benchmark is a blended benchmark comprised of the S&P 500 (45%), MSCI World ex U.S. (25%), and U.S. Aggregate Bond Index (30%).

## Covered Call Strategies

A “covered call” strategy is one in which an investor writes a call option contract while at the same time owning an equivalent number of shares of the underlying stock. Writing call options generates income in the form of the premium paid for the option to buy the stock at a certain price and date. If the stock is purchased simultaneously with writing the call contract, the strategy is commonly referred to as a “buy-write.” If the shares are already held from a previous purchase, it is commonly referred to as an “overwrite.” In either case, the stock is generally held in the same brokerage account from which the investor writes the call, and fully collateralizes, or “covers,” the obligation conveyed by writing a call option contract. By writing the call option, the stock’s owner is selling a contract to the buyer of the call option, giving him or her the right to purchase the stock at a given price by a specified date. If the current market value of each security rises above the strike price in the contract, then the buyer will exercise the option and the stock must be forfeited at the specified price by the writer. Additionally, it is important that investors understand that by writing (selling) calls on a portfolio, they are selling a portion of the stock’s ability to appreciate. This means that the portfolio will not experience the same appreciation in a rising market as a portfolio without the covered call strategy. If the option expires while the stock’s current market value is less than the strike price, then the writer will keep the income generated from writing the options. The goal of a covered call strategy is to manage the portfolio to achieve the premium income while forfeiting the least amount of stock appreciation. This strategy is considered the most basic and most widely used strategy combining the flexibility of listed options with stock ownership.

Note that option trading involves a number of inherent risks and is not suitable for everyone. Investors considering options should consult with a tax advisor. Investors should be sure to read the Option Clearing Corp.’s Option Disclosure document provided by their brokerage firm or adviser carefully before investing.

Navellier offers four (4) covered call strategies:

**Navellier Covered Call Income Portfolio:** The Navellier Covered Call Income Portfolio is designed for investors that seek to achieve returns greater than its blended benchmark while controlling risk and generating income using a covered call strategy. To generate greater income potential, the portfolio will generally write covered calls on *all* equity positions in the portfolio and will generally focus on higher dividend-paying companies. Note that option trading involves a number of inherent risks and is not suitable for everyone. Investors considering options should consult with a tax adviser. Investors should read the Option Clearing Corp.’s Option Disclosure document provided by their brokerage firm or adviser carefully before investing. This is a “concentrated” portfolio that typically holds 20 to 30 stocks. Because the portfolio will hold varying amounts of cash generated by the receipt of premiums from call

writing, the portfolio is not comparable to any single equity benchmark. Cash holdings may vary as widely as 5% to 50%. Navellier deems it reasonable to use a blended benchmark for performance comparison purposes consisting of a blend of the Russell 1000 Index (65%) and the 3-month T-bill (35%).

***Navellier Covered Call Growth Portfolio:*** The Navellier Covered Call Growth Portfolio is designed for investors that seek to achieve returns greater than its blended benchmark while controlling risk and generating income using a covered call strategy. To generate greater growth potential, the portfolio will generally write covered calls on only a portion of the equity positions in the portfolio and will generally focus on higher dividend-paying companies. Note that option trading involves a number of inherent risks and is not suitable for everyone. Investors considering options should consult with a tax adviser. Investors should read the Option Clearing Corp.'s Option Disclosure document provided by their brokerage firm or adviser carefully before investing. This is a "concentrated" portfolio that typically holds 25 to 30 stocks. Because the portfolio will hold varying amounts of cash generated by the receipt of premiums from call writing, the portfolio is not comparable to any single equity benchmark. Cash holdings may vary as widely as 5% to 50%. Navellier deems it reasonable to use a blended benchmark for performance comparison purposes consisting of a blend of the Russell 1000 Index (65%) and the 3-month T-bill (35%).

***Navellier Concentrated Covered Call Income Portfolio:*** The Navellier Concentrated Covered Call Income Portfolio is designed for investors that seek to achieve returns greater than its blended benchmark while controlling risk and generating income using a covered call strategy. Because the portfolio is non-diversified and highly concentrated in only a few stocks, the portfolio has a significant risk of partial or complete loss of an investor's capital. To generate greater income potential, the portfolio will generally write covered calls on ***all*** equity positions in the portfolio and will generally focus on higher dividend-paying companies. Note that option trading involves a number of inherent risks and is not suitable for everyone. Investors considering options should consult with a tax adviser. Investors should read the Option Clearing Corp.'s Option Disclosure document provided by their brokerage firm or adviser carefully before investing. This is a "concentrated" portfolio that typically holds 8 to 15 stocks. Because the portfolio will hold varying amounts of cash generated by the receipt of premiums from call writing, the portfolio is not comparable to any single equity benchmark. Cash holdings may vary as widely as 5% to 50%. Navellier deems it reasonable to use a blended benchmark for performance comparison purposes consisting of a blend of the Russell 1000 Index (65%) and the 3-month T-bill (35%).

***Navellier Concentrated Covered Call Growth Portfolio:*** The Navellier Concentrated Covered Call Growth Portfolio is designed for investors that seek to achieve returns greater than its blended benchmark while controlling risk and generating income using a covered call strategy. Because the portfolio is non-diversified and highly concentrated in only a few stocks, the portfolio has a significant risk of partial or complete loss of an investor's capital. To generate greater income potential, the portfolio will generally write covered calls on only ***a portion*** of equity positions in the portfolio and will generally focus on higher dividend-paying companies. Note that option trading involves a number of inherent risks and is not suitable for everyone. Investors considering options should consult with a tax adviser. Investors should read the Option Clearing Corp.'s Option Disclosure document provided by their brokerage firm or adviser carefully before investing. This is a "concentrated" portfolio that typically holds 7 to 15 stocks. Because the portfolio will hold varying amounts of cash generated by the receipt of premiums from call writing, the portfolio is not comparable to any single equity benchmark. Cash holdings may vary as widely as 5% to 50%. Navellier deems it reasonable to use a blended benchmark for performance comparison purposes consisting of a blend of the Russell 1000 Index (65%) and the 3-month T-bill (35%).

## **Risk of Loss**

Investing in securities involves risk of loss, including the potential for partial or complete loss of funds invested, that clients should be prepared to bear.

***Small Capitalization Stock Risk:*** The Fundamental 'A,' Small-to-Mid Cap Growth, Small Cap Growth, Mid Cap Growth, All Cap Core, Power Dividend, and Vantage portfolios invest in smaller cap stocks that may trade fewer shares than larger cap stocks. The liquidity risk among these types of stocks may increase the risk associated with these portfolios. Some of our investment portfolios are designed to invest heavily in stocks that may have limited trading volume and thus greater volatility.

***Foreign Investing Risk:*** The Libertas 30, the Tactical Global Allocation Plus and Tactical Global Allocation Plus featuring AlphaDEX strategies invest in depository receipts or foreign companies. In addition, all of Navellier's other portfolios, except the two Tactical Sector ETF strategies, can take limited positions in depository receipts. Investing in foreign companies, including direct investments and through depository receipts (such as American Depositary

Receipts) poses additional risk since political and economic events unique to a country or region will affect those markets and their issuers. While depositary receipts provide an alternative to directly purchasing the underlying foreign securities in their respective national markets and currencies, investments in depositary receipts continue to be subject to many of the risks associated with investing directly in foreign securities. Investing in non- U.S. securities including ADRs involves significant risks, such as fluctuation of exchange rates, which may have adverse effects on the value of the security. Securities of some foreign companies may be less liquid and prices more volatile. Information regarding securities of non-U.S. issuers may be limited.

**Emerging Markets Risk:** The Emerging Markets portfolio invests in equities domiciled in emerging market countries. In addition, all of Navellier's other portfolios, except the two Tactical U.S. Equity Sector ETF strategies, can take limited positions in emerging markets. Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar.

**ETF Risk:** Global Macro Allocation, Tactical RevenueShares® Strategic Allocation, and the five Tactical ETF strategies invest in ETFs. We may invest in exchange traded funds ("ETFs") and some of our investment strategies are generally fully invested in ETFs. Like traditional mutual funds, ETFs charge asset-based fees, but they generally do not charge initial sales charges or redemption fees and investors typically pay only customary brokerage fees to buy and sell ETF shares. The fees and costs charged by ETFs held in client accounts will not be deducted from the compensation the client pays Navellier. (Please refer to Item 5, Fees and Compensation, for further information on ETF fees.) ETF prices can fluctuate up or down, and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. ETFs are subject to additional risks:

- ETF shares may trade above or below their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained;
- The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track;
- The cost of owning shares of the ETF may exceed those a client would incur by directly investing in the underlying securities; and
- Trading of an ETF's shares may be halted if the listing exchange's officials deem it appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

**Industry/Sector Concentration Risk:** Our investment process may result in portfolios that are overweight in certain industry sectors and industry groups. As with any concentrated portfolios, these portfolios will be subject to greater volatility and risk with respect to the securities in the portfolios than more diversified portfolios. Concentrated portfolios are unsuitable for some investors.

**Options Risk:** The Covered Call strategies will write covered calls. During the option period, in return for the premium on the option, the covered call writer has given up the opportunity to profit from a price increase in the underlying security above the exercise price. In addition, as long as the writer's obligation as a writer continues, the writer retains the risk of loss should the price of the underlying security decline. An option writer has no control over when it may be required to fulfill its obligation as a writer of the option. Once an option writer receives an exercise notice, the writer cannot effect a closing purchase transaction to terminate the obligation under the option and must deliver the underlying securities at the exercise price.

**MLP Risk:** The Concentrated High Dividend Portfolio will invest in MLPs. Some of our portfolios invest in MLPs, and while MLPs have attractive features, there are potential risks an investor should consider prior to investment in such securities:

- **Commodity Price Risk** – MLPs can be subject to commodity price risk when there is a decline in exploration, transport, and processing of energy products related to volatile energy prices.
- **Correlation Risk** – While MLPs have historically low correlation to other asset classes, there has been a measureable increase since the financial crisis of 2008. This pattern has been present in other times of severe equity market stress.
- **Limited Liquidity** – While liquidity has improved with investment vehicles like mutual and closed end funds, the ability to buy and sell is still somewhat constrained when compared to traditional investments such as equities.

- Tax liability for tax exempt investors.

Other potential risks with MLPs include changes in the regulatory climate for energy-related activities, tax law changes, supply disruptions, environmental accidents, and terrorism. Interest rate risk may increase the potential cost of financing projects and affect the demand for MLP investments; this translates into lower valuations.

**REIT Risk:** The Power Dividend and Concentrated High Dividend Portfolios will invest in REITS, although it is not the main focus of the strategies. REITs are subject to changes in economic conditions, credit risk, and interest rate fluctuations. REITs expose investors to the risks of owning real estate directly, as well as to risks that relate specifically to the way in which Real Estate Companies are organized and operated. Real estate is highly sensitive to general and local economic conditions and developments and characterized by intense competition and periodic overbuilding. Many Real Estate Companies, including REITs, utilize leverage (and some may be highly leveraged), which increases investment risk and the risk normally associated with debt financing and could potentially increase losses. The U.S. residential and commercial real estate markets may, in the future, experience and have, in the past, experienced a decline in value, with certain regions experiencing significant losses in property values. Exposure to such real estate may adversely affect performance.

**Commission Account Risk:** Accounts that are commission-based as opposed to accounts that use a fee in lieu of commissions (i.e., “wrap fee”) are likely to have fewer stocks included in the accounts due to increased trading costs. Clients are further advised that these highly concentrated portfolios will have an even higher degree of risk than portfolios that do not have commission-based trading expenses, and will likely have greater trading costs than wrap fee accounts.

## ITEM 9. DISCIPLINARY INFORMATION

We are required to disclose any legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management.

On August 31, 2017, the Securities and Exchange Commission (“SEC”) filed a lawsuit in the U.S. District Court for the District of Massachusetts alleging that Navellier & Associates, Inc. (“Navellier”) violated Sections 206(1), 206(2), and 206(4) of the Investment Advisors Act of 1940 (“Advisors Act”), and Rule 206(4)-1(a)(5) thereunder; and that Louis Navellier allegedly violated Sections 206(1) and 206(2) of the Advisors Act and aided and abetted Navellier’s alleged violations. The allegations relate to advertising materials for certain Vireo products circa 2010-2013, which the SEC asserts failed to make adequate disclosures with respect to certain performance claims. Navellier and Louis Navellier each deny that they committed the alleged violations and look forward to rebutting the SEC’s claims in court. .

On February 13, 2020 the District Court granted partial summary judgement in favor of the SEC on its claims that Navellier and Mr. Navellier violated ~ (sections) 206(1) and 206(2) by disseminating allegedly false Vireo marketing material to clients that contained allegedly false statements that the strategy upon which the Vireo AlphaSector Allocator and Vireo Alpha Sector Premium strategies was based had been live traded since 2001 and was not back-tested. The District Court subsequently dismissed the SEC’s remaining claims with prejudice. Navellier and Mr. Navellier strenuously deny that the marketing materials contained those statements and assert that the statements that were actually made in the Vireo marketing materials were true, i.e., they made no false and misleading statements.

On June 2, 2020 the District Court issued a Final Judgement reiterating its erroneous summary judgement decision and awarding the SEC nearly \$29 million in “disgorgement” of gains and prejudgment interest plus \$2.5 million in penalties as a supposed result of the 206(1) and (2) “violations” and enjoined them from violating sections 206(1) and (2) in the future and censured Navellier & Mr. Navellier. Navellier and Mr. Navellier deny that there is any legal or factual basis for the alleged violations or for disgorgement, especially since the Supreme Court’s recent decision in *Liu vs SEC*. Navellier’s clients were not given false information, the allegedly violative statements were immaterial and the clients were not harmed and in fact received over \$211 million in profits from Navellier’s Vireo AlphaSector investment advice. Any equitable accounting applying the law set forth in *Liu* would result in no disgorgement or at most a total of \$24,681 in disgorgement and prejudgment interest thereon if a proper accounting were used. Navellier and Mr. Navellier have appealed that Final Judgement and strongly believe that it will be reversed on appeal.

An appeal to the First Circuit Court of Appeals from the District Court judgement was filed on June 4, 2020 by Navellier & Associates and Mr. Navellier. On June 12, 2020 the SEC instituted administrative proceedings with the

SEC to sanction or possibly deregister Navellier & Associates and Mr. Navellier based on the erroneous final judgement. On July 2, 2020 the First Circuit Court of Appeals temporarily stayed further proceeding by the SEC including the administrative proceedings. In September 2020, the first circuit court of appeals remanded to the district court to issue findings of fact and conclusions of law in light of Liu vs. SEC. The questions of remedies, i.e., discouragement if any, violations if any, injunctions if any, censures if any, penalties if any, are pending and being reconsidered by the district court.

The SEC charges, which Navellier disputes, relate to investment strategies that Navellier ceased offering clients in September 2013. Our firm instructed staff not to use sub-advisor's performance materials. We believe Navellier's own materials were more than sufficient under SEC rules, with GIPS [Global Investment Performance Standard] accounting and clear disclosures reviewed by accounting and compliance firms.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Financial Activities or Affiliations**

***Defensive Alpha Portfolio:*** Navellier receives investment research which it may or may not use in connection with our Navellier Defensive Alpha Portfolio. The Langsen Group Provides this research to Navellier. Navellier pays a fee to The Langsen Group for its research. (Please review Item 8, Methods of Analysis, Investment Strategies, and Risk of Loss, or the firm's website, [www.navellier.com](http://www.navellier.com), for more detailed information regarding the strategy.)

At all times, we endeavor to put our clients' interests first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address these conflicts:

- We disclose to clients the existence of all material conflicts of interest, including the potential for Navellier and our employees to earn compensation from advisory clients in addition to Navellier's advisory fees;
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- We collect, maintain, and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance;
- Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require employees to seek prior approval for any outside employment activity so that we can ensure any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify any conflicts of interest continue to be properly addressed; and
- We educate employees regarding the responsibilities we have as a fiduciary.

### ***Newsletters:***

Mr. Navellier owns Navellier Analytics, LLC ("Analytics") which contracts with InvestorPlace Media LLC, ("IPM") (a company that is separate and independent from Navellier, Mr. Navellier or Analytics) to write and provide financial commentary to IPM for newsletters which IPM publishes. The newsletters are owned by IPM which publishes the newsletters and is responsible for and has final and sole discretion as to what is published.

Navellier and Associates, Inc. does place ads for its investment advisory services (which are separate and distinct from Navellier Analytics newspaper business) in some or all of the IPM newsletters. Navellier purchases customer lists from IPM, which customer lists may include the names of IPM subscribers to the newsletters that Navellier writes for IPM. Navellier markets its Investment Advisory services to people on the customer lists it purchases from IPM (which lists may include persons that subscribe to newsletters Navellier writes for IPM). Navellier also advertises its seminars to people on the list it purchases from IPM. Navellier does not market or advertise IPM newsletters or these newsletters' performance records at these Navellier seminars since Navellier investment advisory business and the newsletters are separate and distinct from each other.

Neither Analytics nor anyone employed by or acting for Navellier (or Mr. Navellier) provides performance data to IPM regarding the historical performance of the newsletter stock selections. IPM either calculates the newsletter

performance on its own or from non-Navellier sources and receives no performance information from Navellier or Analytics.

In order to avoid any possible confusion between Navellier's investment advisory services (and the historical performance of its investment advisory services) and Analytics' newsletter writing services (and the historical hypothetical performance of those newsletter hypothetical stock selections), Analytics has instructed IPM to provide a disclosure in its newsletters making clear that the general financial commentary it provides IPM is different from and not part of investment advisory services Navellier provides for its individual investment advisory clients or entities, and that the newsletters are financial newsletters of general circulation providing generalized market insights to newsletter subscribers. The newsletter subscribers will be further informed that they are not receiving investment advice individually tailored to their specific individual investment needs from Navellier or anyone else.

Also, to avoid any possible confusion, Analytics and Navellier further disclose in the newsletters' advertisements by Navellier that the investment advisory seminars put on by Navellier are sponsored by Navellier (not IPM) and that Navellier's investment advisory services will be discussed at the seminars, and that Navellier's investment advisory performance is separate and different from the newsletters' hypothetical performance, and that Analytics' newsletter services are not the same and are different from and are not a substitute for Navellier's investment advisory services, and that newsletter hypothetical performance is different than Navellier investment advisory performance.

(Please refer to Item 12, Brokerage Practices, for further information on the timing of transactions relative to newsletter publications.)

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics and Personal Trading**

As required by SEC rules, Navellier has adopted a Code of Ethics that sets forth high ethical standards of business conduct required of all our employees. Navellier and our employees owe a fiduciary duty of loyalty, fairness, and good faith to our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics permits employees to trade in securities, including those that could be recommended to clients. This activity can create actual or potential conflicts of interest. To address these actual or potential conflicts of interest, our Code of Ethics contains significant safeguards designed to protect clients from abuses in this area. For example, employees must receive prior approval for most securities transactions. Employees generally may not purchase or sell securities that are part of an investment action, including those for an affiliated Investment Company, unless the transaction is *de minimus* (e.g., transactions involving a relatively small number of shares of a company with a large market capitalization and high average daily trading volume). The Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that access persons must submit.

Among other things, our Code of Ethics also requires prior approval of any acquisition of securities in limited offerings (e.g., private placements) or initial public offerings, policies prohibiting employees from using material non-public information to buy or sell securities (insider trading), disclosure of conflicts of interest, and policies for serving on boards of directors of issuing companies by investment personnel, receiving/giving gifts, and political contributions. Our Code also discusses oversight, enforcement, and recordkeeping provisions.

We will provide a copy of our Code of Ethics to any client or prospective client upon request. You may request a copy by emailing [compliance@navellier.com](mailto:compliance@navellier.com) or by calling us at 775-785-2300.

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

Navellier will, from time to time, seed a proprietary account for the purposes of establishing an investment strategy. Proprietary accounts may invest in the same securities as client accounts. It is our policy to treat proprietary accounts in the same manner as client accounts for the purposes of trading allocation. (Please refer to Item 12, Brokerage Practices, for further information.)

## **ITEM 12. BROKERAGE PRACTICES**

Navellier primarily manages discretionary accounts, and therefore, generally has complete authority to determine the securities and the amount of securities bought and sold. From time to time, we will work within a client's investment policy guidelines when we determine doing so is feasible. Because we engage in an investment advisory business and manage more than one account, there may be conflicts of interest over our time devoted to managing any one account and the allocation of investment opportunities among all accounts we manage. We attempt to resolve all such conflicts in a manner that is generally fair to all our clients.

### **Aggregation and Allocation of Transactions**

Although we individually manage client accounts, we often purchase and/or sell the same securities for many accounts. When possible, we aggregate the same transactions in the same securities for many clients who have the same brokerage firm or custodian. Similarly, when possible, we aggregate the same transactions in the same securities for many clients for whom we have discretion to direct brokerage. Clients in an aggregated transaction each receive the same price per share of unit, but if clients have directed brokerage to a particular broker-dealer, they may pay different commissions.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will typically receive the average price paid for the securities in the same aggregate transaction on that day. If we are unable to fill an aggregated transaction completely, but receive a partial fill of the aggregated transaction, we will normally allocate the partially filled transaction to clients based on an equitable rotational system.

Navellier may initially place orders for transactions in certain securities only for those accounts that are custodied at the banks or brokerage firms that permit us to place trades for accounts custodied at that firm with other brokerage firms. Accounts custodied at brokerage firms that do not give us discretion to select the brokerage firm may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other clients whose accounts are not restricted. Some clients may not be able to participate in aggregated transactions for most securities and/or may be consistently traded toward the end of Navellier's trade rotation if we determine that including such a client in an aggregated transaction or in the normal trade rotation could adversely impact our broader client group. Such clients may regularly receive less favorable prices on account transactions.

After Navellier has determined which client accounts are able to participate in an aggregated transaction, typically the trading sequence follows a rotational system (by custodian) so that clients of each brokerage firm, bank custodian, or trust company will have an opportunity to participate in a transaction first. The actual client trade allocation sequence within each custodial group in the rotation is usually made on a pro rata basis. This rotational trading mechanism and random allocation process of client transactions aims to provide, over the long-run, fair treatment for each client account.

Some clients with highly particularized investment policies or restrictions may not be able to participate in aggregated transactions for certain securities and may only be invested in such securities after we have established guideline compliance with respect to the acceptability of the security and permissible amounts. Such clients may receive a less favorable price on such transactions.

We invest in equity securities of foreign issuers listed on U.S. stock exchanges in the form of American Depositary Receipts (ADRs). Risks associated with equity securities of foreign issuers may be greater than those of domestic equities. (Please refer to Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, for further information regarding the risks associated with foreign investments.)

### **Brokerage Discretion**

When Navellier has discretionary authority to select brokerage firms in placing orders to purchase and sell securities, our policy is to seek and secure the best execution, which includes both commissions and execution prices. In selecting broker-dealers to execute portfolio transactions, we will consider factors such as the price of the security; the rate of commission; the size and difficulty of the order; the reliability, integrity, financial condition,

and general execution and operational capabilities of competing broker-dealers; the brokerage and research services they provide to us; and past referrals of new clients' accounts to us and anticipation of future referrals of clients.

Thus, we may direct commissions generated from some clients' transactions to compensate broker-dealers for referral of clients and as a means of encouraging future referrals of clients to us by the broker-dealer receiving the commissions. We may have an incentive to select a broker-dealer based on our interest in receiving client referrals, but we must believe that our objective of best execution is not being sacrificed. As a result of any of the above factors, a client may pay a higher commission than is available from other broker-dealers.

Over-the-counter purchases and sales can be transacted directly with the principal market makers except in those circumstances where, in our opinion, better prices and executions are available elsewhere. Navellier may not have discretionary authority to select the brokerage firm or the commission rates to be paid for Wrap Fee or Managed Account Program accounts we manage. In addition, some clients direct us to use a particular broker-dealer (i.e., a custodian broker-dealer, a Wrap Fee or Managed Account Program broker-dealer, a referring broker-dealer, or simply the client's personal choice). In all these cases, the client may pay a higher commission or receive smaller discounts than if we had discretion to choose a broker-dealer or may receive a worse price for the security than other clients for the same security.

Navellier may use step-out trades for aggregated orders for multiple accounts. A step-out trade is one in which we place the order for a transaction for one or more client accounts with a broker-dealer (the "Step-out Broker") other than the broker-dealer that the client has directed Navellier to utilize (the "Directed Broker"). The Step-out Broker executes the trade for the accounts without any commission. The Step-out Broker will report a net price, which may include a mark-up for executing the transaction. The brokerage firm shown on the confirmation for a step-out transaction for a client account with a directed broker is not the Step-out Broker, but the Directed Broker. The Directed Broker receives the compensation, if any, shown on the confirmation. This compensation is at whatever commission rate or wrap fee the client has negotiated. Thus, clients that participate in a step-out transaction may pay different transaction costs. In this manner, the Directed Broker receives the agreed upon commission or wrap fee, and the client obtains the execution at a favorable price.

## **Best Execution**

Navellier is aware of our responsibility to seek the "best execution" for client transactions. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker-dealer involves a number of considerations. Factors affecting brokerage selection include, but are not limited to, the overall direct net economic result to the portfolios (involving both price paid or received and any net commissions and other costs paid), the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker-dealer to stand ready to execute possibly difficult transactions in the future, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker-dealers, and the financial strength and stability of the broker-dealer. Such considerations are judgmental, and we weigh them to determine the overall reasonableness of brokerage commissions paid. We make our best effort to determine the sources of best execution without having to demonstrate that such factors as noted above are of direct benefit to the client.

From time to time we will review the past performance of the exchange members, brokers, or dealers with whom we have placed orders to execute portfolio transactions in light of the factors discussed above. We may cease doing business with certain exchange members, brokers, or dealers whose performance may not have been competitive, or we may demand that such persons improve their performance before receiving any further orders. On the basis of information that is available, we believe that we can obtain competitive commission rates on portfolio transactions on an overall basis.

## **Trade Errors**

As a fiduciary, Navellier has the responsibility to effect orders correctly, promptly, and in the best interests of our clients. In the event any error occurs in the handling of any client transactions due to our actions, inaction, or actions of others, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting Navellier in any way. If the error is the responsibility of Navellier, any client transaction will be corrected, and we will be responsible for any client loss resulting from an inaccurate or erroneous order. If the error results in a gain for the client, the client will retain any gains resulting from the inaccurate or erroneous order except when the error results from a transaction that is not allowed in the client's account, such as a short position or an overdraft/debit in the account. In such instances, the gains are typically placed in Navellier's error account.

## Research and Other Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934, as amended, provides that Navellier may pay a broker-dealer a commission in excess of the amount another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and research services provided by or through the broker-dealer.

When allocating brokerage business, we may give preference to broker-dealers that provide statistical research or other services to Navellier so long as we believe the objective of best execution is not being sacrificed. These research services provide a benefit to us since we do not have to produce or pay for the services. Navellier may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services rather than on our clients' interest in receiving the most favorable execution. Research services may include:

- Advice, directly or through publications, writings, or data services, as to the value of securities and the advisability of investing in, purchasing, or selling securities and
- The availability of securities, economic factors and trends, portfolio strategy, and the performance of accounts.

Thus, we may be able to supplement our own information and consider the views and information of other organizations in arriving at our investment decisions.

Generally, research services are generated by third parties but are provided to Navellier through broker-dealers. The following describes the primary products and services we currently receive through soft dollar arrangements. The ratio of commissions necessary to pay for these services (soft dollar ratios) ranges from 1.11:1 to 1.25:1 or is calculated on a cost plus basis generally at \$0.02-0.05/share.

Brokers and research services potentially provided through soft dollar arrangements:

- BNY ConvergeX Group: *FactSet Data Systems*

At any given point-in-time, Navellier may have a soft dollar arrangement with one or more brokerage firms to receive research services where over a period of time, we are required to direct a minimum amount of brokerage commissions from client transactions to the brokerage firm. These arrangements change over time. When we have soft dollar arrangements with a brokerage firm, the brokerage firm may negotiate a substantial discount on brokerage commissions. However, it is possible the size of the commission discount may be less than the commission would be without the soft dollar arrangement. Clients may be able to recapture for themselves the benefit of the cost of soft dollars that result from brokerage commissions their accounts pay instead of having Navellier use these commissions for our benefit to pay for research services. We may use research services for the benefit of all our accounts and not just accounts whose transactions generated the commissions used to pay for research services. It is possible that the accounts whose transactions paid for the research services may not benefit from the research services.

The information that is received may reduce our normal and customary research activities if it is useful. When we place orders to execute portfolio transactions, we may cause our accounts to pay a member of an exchange, broker, or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another member of an exchange, broker, or dealer would have charged for effecting the same transaction if we determine in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the member, broker, or dealer when viewed in terms of the particular transaction or our overall responsibilities with respect to the accounts to which we exercise investment discretion. The receipt of brokerage and research services from any member, broker, or dealer executing transactions for Navellier's clients will not result in a reduction of our customary and normal research activities, and the value of this information is, in our view, indeterminable. Nevertheless, we may deem the receipt of the research an economic benefit, and although customary, may create a conflict of interest between Navellier and our clients.

## Timing of Transactions Relative to Newsletter Publications

Analytics, which is owned by Louis Navellier has a business relationship with Investor Place Media LLC ("IPM"). Analytics supplies IPM with investment commentary and model portfolios for investment newsletters published by

IPM. While neither Analytics or Navellier & Associates is the publisher of the newsletters, and these newsletters do not and are not intended to provide individualized investment advice to subscribers or readers, these newsletters may discuss companies that may also be appropriate for investment by Navellier & Associates as part of its separate Investment Advisory business for its separate investment advisory clients.

Navellier and/or Mr. Navellier may and sometimes do trade for themselves and/or Navellier's investment advisory clients in securities that are also included in the newsletters and may trade, and sometimes do (buy/sell) for himself and/or family members and/or for Navellier investment advisory clients in securities before Analytics writes about or discusses those securities in the newsletters. Analytics will cause to be disclosed in each of the newsletters that Navellier and/or Mr. Navellier may trade or has traded in securities ahead of (before) Analytics discusses those securities in the newsletters.

## **ITEM 13. REVIEW OF ACCOUNTS**

### **Account Review**

Navellier assigns one or more portfolio managers to each account or investment product. Each account is reviewed on a regular basis, at least quarterly. Most accounts are reviewed more often, for example when cash flows or investment actions occur. At initial setup, each account is assigned to a model portfolio based on the strategy in which the client has elected to invest. Portfolio managers and the Chief Investment Officer review the model portfolios that govern all like traded accounts at least weekly.

Various other teams review clients' accounts on a regular basis, including Compliance (led by the Chief Compliance Officer) and Trading (led by the Trading Supervisor), for cash flows, security weightings, and compliance with any specific account restrictions and guidelines.

For direct clients participating in the Private Client Group, we review clients' financial situations no less than annually to determine if adjustments are necessary for their portfolio allocations. (Please refer to Item 4, Advisory Business, for further information on the Private Client Group.)

### **Client Reports**

Reports are typically written but may be delivered electronically as requested by our clients. We may send separate account clients and their designated intermediaries' monthly or quarterly performance, current holdings, transaction activity, brokerage commissions, and other reports as reasonably requested by clients. Additional client reporting is available upon request. We typically do not provide account reporting to wrap fee program clients unless specifically requested.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

We may direct trades to broker-dealers in return for marketing efforts on behalf of Navellier and referral of clients to us. We take appropriate steps to ensure and monitor such trades for best execution. (Please refer to Item 12, Brokerage Practices, for further information on how we direct brokerage.)

From time to time, Navellier compensates third persons for client referrals. Such referral arrangements are generally governed by a written agreement between Navellier and the particular third party that (i) complies with the SEC's "cash solicitation" rule (Rule 206(4)-3); (ii) requires that clients be provided with copies of Navellier's ADV Brochure, separate disclosure of the nature of the referral arrangement (including compensation features) applicable to the client being referred and containing the information required by the Rule, and any other document required to be provided under applicable state law; and (iii) provides that the third party will not be paid compensation for any client referral unless it is registered as an investment adviser or investment adviser representative to the extent required under federal law and the law of the state in which the referred client resides. Navellier pays solicitors a monthly retainer and a percentage fee based on the value of the assets invested with Navellier by clients solicited by that solicitor. Solicitors who solicit clients for Navellier Private Client Group strategies are paid a solicitor's fee of 35% of Navellier's investment advisory fee paid for assets under management solicited by the solicitor for the first twelve months, 25% of Navellier's investment advisory fee paid for assets under management solicited by the

solicitor for the next twelve months, and 15% of Navellier's investment advisory fee paid for assets under management solicited by the solicitor for the next twelve months. Solicitors for other Navellier programs are paid on different solicitation fee schedules. The amount of those solicitor fees are disclosed to investors in writing prior to and in connection with the clients' investment advisory agreement with Navellier. Navellier pays Cetera Advisors a solicitor's fee of 32 basis points annually, paid quarterly of the 80 basis points paid to Navellier by the client. Navellier pays Fulcrum Equity Management, LLC a solicitor's fee of 50% of the advisory fee paid to Navellier in excess of 30 basis points (for example, if the total advisory fee paid to Navellier is 50 basis points, Fulcrum receives a solicitor fee of 10 basis points of the 50 basis point fee). We do not charge solicited clients fees greater than those charged to new Navellier clients with similar portfolios managed by Navellier who were not introduced by a third party solicitor.

### **Additional Compensation**

Navellier may receive or have access to free or discounted products, services, or information based on our relationship with certain custodians or broker/dealers. These benefits include: receipt of duplicate trade confirmations and account statements; access to dedicated trading desk and service teams; ability to directly deduct investment advisory fees from client accounts; ability to submit orders electronically; receipt of publications pertaining to compliance, practice management, operations, and marketing; invitations to sponsored events, such as workshops and conferences, at a reduced cost or no cost; and discounts on products and services from third parties that may or may not be research-related. The benefits we receive are not provided on the basis of client transactions. Under no circumstances do any clients pay additional fees or commissions to Navellier or any broker/dealer for us to obtain these products or services.

## **ITEM 15. CUSTODY**

Pursuant to our Investment Advisory Agreements with our clients we have the authority to direct the custodian to deduct our advisory fee from the clients account if authorized by the client pursuant to the written contract. (Please refer to Item 5, Fees and Compensation, for further information regarding these arrangements.) If we have authorization to ask the custodian to debit advisory fees from client accounts, we will advise the client's custodian of the amount they will deduct from the client's account. On at least a quarterly basis, the custodian is required to send the client a statement showing all transactions within the account during the reporting period.

Because we, not the custodian, calculate the amount of our Advisory fee, pursuant to the Investment Advisory fee Agreement with the client, and because we can authorize the custodian to deduct our Advisory fee from the clients' account pursuant to written agreement with the client, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact Navellier directly if they believe there may be an error in their statement.

In the event we receive a check or monies belonging to a client, inevitably due to an error, our policy is to remit the check or monies to the client within three (3) business days.

Navellier does not have actual physical custody of client accounts or assets. Clients should receive at least a quarterly statement from the broker-dealer, bank, or other qualified custodian that holds and maintains their investment assets. We urge clients to carefully review their custodial statements versus any statements they may receive from Navellier.

## **ITEM 16. INVESTMENT DISCRETION**

Clients hire Navellier to provide discretionary asset management services. This discretionary authority allows Navellier to place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell.

Clients give Navellier discretionary authority when they sign a fee agreement with us, which includes a limited power of attorney provision for such discretion. In some instances, clients seek to limit our discretionary authority by imposing investment guidelines or restrictions on their account. All such limitations are to be agreed upon in writing. Clients may change/amend such limitations by providing us with written instructions.

We make every effort to manage restricted portfolios alongside our other clients with like accounts. However, it is possible that client accounts subject to restrictions may not be able to participate in aggregated trades and transactions for these accounts may be affected only after compliance with applicable limitations has been established. (Please refer to Item 12, Brokerage Practices, for further information.)

Wrap Program Managed Account clients do not enter into an agreement directly with Navellier. In such circumstances, Wrap Program Managed Account clients enter an agreement with the wrap sponsor or platform provider. The wrap sponsor engages Navellier in a written agreement that provides us with discretionary authority.

We may also enter non-discretionary arrangements where we provide a model portfolio, but we do not have authority to actually buy or sell the securities in the recipient's clients' accounts and the recipient is under no obligation to use some, all, or any of the model portfolio (research) provided. For these arrangements, we will have a written agreement with the party to whom we will provide the model portfolio research.

## **ITEM 17. VOTING CLIENT SECURITIES**

### **Proxy Voting**

Navellier's fee agreement states that we will not vote proxies or shareholder actions for client accounts. However, we will, when requested in writing, vote proxies for client accounts. We will vote proxies for ERISA accounts unless instructed otherwise. Clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing how to vote proxies in their account.

In cases where we are asked to vote proxies, we will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. We will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document we created that was material to making a decision how to vote proxies, and a copy of each written client request for information on how we voted proxies. If we have a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

We use a third-party service to provide administrative assistance in voting proxies, including certain recordkeeping and reporting functions.

Clients can instruct Navellier to vote proxies according to particular criteria (i.e., to always vote with management or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. Clients can also instruct us on how to cast a vote in a particular proxy contest.

Clients may obtain a copy of our complete proxy voting policies and procedures and/or information on how we voted proxies relating to securities held in their accounts by contacting Navellier at 775-785-2300, writing to One East Liberty, Suite 504, Reno, NV 89501, or emailing [info@navellier.com](mailto:info@navellier.com). If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for its account(s), we will promptly provide this information to the client.

### **Class Actions and Other Litigation Matters**

As a matter of policy, we disclaim any responsibility or obligation to:

- Monitor for the initiation of any class action or other litigation involving any past or current holdings of client accounts;
- Advise about "Proofs of Claims" or settlement elections; or
- Prepare, file, or otherwise process "Proofs of Claims" or settlement elections, other than to confirm, upon a client's request, past account holdings of specific securities.

Should a client notify us of a litigation matter and provide adequate advance notice, we will forward the requisite information in our possession. It will be the client's responsibility to make whatever filings or elections necessary or wished. These services are not provided to third parties, which may include account custodians, claim administrators, actual or prospective "lead plaintiffs."

#### **ITEM 18. FINANCIAL INFORMATION**

Under no circumstances does Navellier require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual obligations. We have no such financial conditions to report. We have received two Paycheck Protection Plan (PPP) federal government loans. One on May 7, 2020 in the amount of \$257,445 and the second on February 2, 2021 in the amount of \$242,157. These loans were used as authorized for employee payroll and therefore, there is no obligation to repay said loans.

We have not been the subject of a bankruptcy petition at any time during the past ten years. However, if a stay of enforcement pending appeal is not granted or the appeal bond if any is not significantly reduced Navellier & Associates and Mr. Navellier may be forced, for strategic purposes only, to file chapter 11 bankruptcy to prevent the SEC from attempting to enforce the judgement while Navellier and Mr. Navellier are appealing to have the erroneous judgement reversed or vacated by the First Circuit Court of Appeals.

## **PRIVACY POLICY**

### **Privacy & Security**

When you invest with Navellier & Associates, Inc., you share your non-public personal and financial information with us. We understand you are entrusting us to protect this information. We collect only the information necessary to provide you with the investment advisory services for which you hired us. This information is shared only with select business partners associated with the delivery of our products and services. These companies are not authorized to use or share the information for any purpose other than to help us serve you. We do not sell this information to any third party. If you have any questions about our privacy policy, please call (800) 887-8671, and we will be happy to assist you.

#### **Our policy is to limit how, and with whom, we will share information.**

We do not share information about you, or our former clients, with our affiliates or service providers or other third parties except on the limited basis permitted by law. Upon your written request, we may also share your non-public personal information to third-party service providers, such as accountants and lawyers, or family members. It is necessary for us to have your personal information so that we know how to contact you in order to answer questions or to respond to your requests for information from us.

#### **We do not sell lists of our clients.**

We do not sell lists of our clients nor do we disclose client information to marketing companies. We do not share information with other companies. The exception being those companies hired to provide specific services for us.

#### **We collect only the information necessary to deliver our products and services.**

We may collect non-public personal information about you that generally falls into one of the following categories:

- Information such as your address, Social Security number, date of birth, phone number, income, investable assets, and investment profile that you may provide on account applications or during your business relationship with us.
- Account information such as your investment choices, account balances, and transaction history.
- Information relating to your use of our website, such as your user name, password, email address, zip code, failed attempts to log in, the last time you logged in, and portfolio information you may have provided on our Stock Grader, ETF Grader, or Dividend Grader pages.

#### **How we use the information we collect.**

We use the information we collect primarily to maintain your accounts and process your transactions and requests. When required by law, we may need to disclose personal information where such action is deemed necessary to comply with a current judicial proceeding, court order, or legal process served on the firm. We rely on the information you provide to help us better understand you and your investing needs. This allows us to offer relevant investment products and services that may be of interest to you and to help us with our research efforts, mailings, or other Navellier marketing or communications activities.

#### **Procedures to protect confidentiality and security of our clients.**

While no company can guarantee the security of your information, we take steps to protect information from unauthorized access, including reasonable administrative, physical, and technical safeguards designed to protect information about you. We also apply special measures for authentication of information you request or submit to us on our website, [www.navellier.com](http://www.navellier.com). Internally, we limit access to non-public personal and financial information about you to those Navellier personnel who need to know the information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect your non-public personal and financial information. Additionally, we conduct periodic reviews of our computer systems, including security features.

#### **How you may obtain Proxy Voting information.**

Information on Navellier's Proxy Voting Policies & Procedures may be obtained by visiting our website at [www.navellier.com](http://www.navellier.com) or by contacting our office at (800) 887-8671.

#### **A special note to Newsletter Subscribers:**

Louis Navellier writes commentary to various newsletters that are published and owned by InvestorPlace Media, LLC ("IPM"), a company not affiliated with or controlled by Navellier & Associates, Inc. These newsletters include:

*Louis Navellier's Growth Investor, Louis Navellier's Breakthrough Stocks, Louis Navellier's Accelerated Profits, and Louis Navellier's Platinum Club.* Navellier & Associates, Inc. does not have any control over information you may provide to IPM. If you would like any information that you provided to IPM to remain private, please contact IPM directly at (800) 539-8216.

**How you can correct and update personal information.**

If you need to update or correct any personal information, you may contact us at (800) 887-8671.

**Offer to receive a current copy of our ADV Part 2A and 2B.**

This serves as notification of SEC Rule 204-2(a)(14) which states that all investment advisers must make available on an annual basis, to all existing clients, a copy of Form ADV Part 2A and 2B. If you would like to receive a free copy of our most current Form ADV Part 2A and 2B, please call us at (800) 887-8671 or write to us at:

Navellier & Associates – ADV Part 2A/2B  
Attn: Compliance  
One East Liberty, Suite 504  
Reno, NV 89501

# Brochure Supplement

Form ADV Part 2B  
March 27, 2018

## ITEM 1. COVER PAGE

### **Louis G. Navellier**

*Chief Investment Officer / Chief Compliance Officer*

Navellier & Associates, Inc.  
One E. Liberty, Suite 504  
Reno, Nevada 89501  
775-785-2300  
[www.navellier.com](http://www.navellier.com)

This brochure supplement provides information about Louis G. Navellier that supplements Navellier & Associates, Inc.'s brochure. You should have received a copy of that brochure. Please contact Navellier if you did not receive Navellier & Associates, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Louis G. Navellier is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Year of Birth: 1957  
California State University, Hayward – B.S.  
California State University, Hayward – M.B.A.

Business Background: 36 years in securities industry  
Navellier & Associates, Inc. – past five years  
Interim Chief Compliance Officer (February 2017 – present)  
Chairman, Chief Executive Officer, & Chief Investment Officer (1987 – present)  
Interim Chief Compliance Officer (May 2015-August 2015)

## ITEM 3. DISCIPLINARY INFORMATION

On August 31, 2017, the Securities and Exchange Commission ("SEC") filed a lawsuit in the U.S. District Court for the District of Massachusetts alleging that Navellier & Associates, Inc. ("Navellier") violated Sections 206(1), 206(2), and 206(4) of the Investment Advisors Act of 1940 ("Advisors Act"), and Rule 206(4)-1(a)(5) thereunder; and that Louis Navellier allegedly violated Sections 206(1) and 206(2) of the Advisors Act and aided and abetted Navellier's alleged violations. The allegations relate to advertising materials for certain Vireo products circa 2010-2013, which the SEC asserts failed to make adequate disclosures with respect to certain performance claims. Navellier and Louis Navellier each deny that they committed the alleged violations and look forward to rebutting the SEC's claims in court.

On February 13, 2020 the District Court granted partial summary judgement in favor of the SEC on its claims that Navellier and Mr. Navellier violated ~ (sections) 206(1) and 206(2) by disseminating allegedly false Vireo marketing material to clients that contained allegedly false statements that the strategy upon which the Vireo AlphaSector Allocator and Vireo Alpha Sector Premium strategies was based had been live traded since 2001 and was not back-tested. The District Court subsequently dismissed the SEC's remaining claims with prejudice. Navellier and Mr. Navellier strenuously deny that the marketing materials contained those statements and assert that the statements that were actually made in the Vireo marketing materials were true, i.e., they made no false and misleading statements.

On June 2, 2020 the District Court issued a Final Judgement reiterating its erroneous summary judgement decision and awarding the SEC nearly \$29 million in "disgorgement" of gains and prejudgment interest plus \$2.5 million in penalties as a supposed result of the 206(1) and (2) "violations" and enjoined them from violating sections 206(1) and (2) in the future. Navellier and Mr. Navellier deny that there is any legal or factual bases for disgorgement, especially since the Supreme Courts recent decision in Liu vs SEC. Navellier's clients were not given false information, the allegedly violative statements were immaterial and the clients were not harmed and in fact received over \$211 million in profits from Navellier's Vireo AlphaSector investment advice. Any equitable accounting applying the law set forth

in Liu would result in no disgorgement or at most a total of \$24,681 in disgorgement and prejudgment interest thereon if a proper accounting were used. Navellier and Mr. Navellier have appealed that Final Judgement and strongly believe that it will be reversed on appeal.

An appeal to the First Circuit Court of Appeals from the District Court judgement was filed on June 4, 2020 by Navellier & Associates and Mr. Navellier. On June 12, 2020 the SEC instituted administrative proceedings with the SEC to sanction or possibly deregister Navellier & Associates and Mr. Navellier based on the erroneous final judgement. On July 2, 2020 the First Circuit Court of Appeals temporarily stayed further proceeding by the SEC including the administrative proceedings

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Louis G. Navellier writes the investment commentary and provides the research data for the following newsletters: *Louis Navellier's Growth Investor*, *Louis Navellier's Breakthrough Stocks*, *Louis Navellier's Accelerated Profits*, and *Louis Navellier's Platinum Club*. All of these newsletters are owned and published by InvestorPlace Media, LLC (IPM). IPM is responsible for all subscriptions, customer service, advertising, marketing, production, and fulfillment associated with these newsletters. Navellier & Associates, Inc. is not affiliated with IPM. Louis Navellier, as an individual, has contractual obligations to IPM.

It is possible that conflicts of interest may arise in relation to Navellier & Associates, Inc.'s investment advisory services to our clients and the sale of newsletters. For example, it is possible that Mr. Navellier could be more highly compensated for his contributions to newsletters and solicit potential advisory clients to purchase newsletters as a substitute or in addition to our investment advisory services.

On a continuing basis, we address the potential conflict of interest by ensuring that potential clients receive the following "Newsletter Disclosure." The disclosure is included throughout our website, in our periodic *MarketMail* materials, and in our fee agreements.

**IMPORTANT NEWSLETTER DISCLOSURE:** The hypothetical performance results for investment newsletters that are authored or edited by Louis Navellier, including *Louis Navellier's Growth Investor*, *Louis Navellier's Breakthrough Stocks*, *Louis Navellier's Accelerated Profits*, and *Louis Navellier's Platinum Club*, are not based on any actual securities trading, portfolio, or accounts, and the newsletters' reported hypothetical performances should be considered mere "paper" or proforma hypothetical performance results and are not actual performance of real world trades. Navellier & Associates, Inc. does not have any relation to or affiliation with the owner of these newsletters. There are material differences between Navellier Investment Products' portfolios and the InvestorPlace Media, LLC newsletter portfolios authored by Louis Navellier. The InvestorPlace Media, LLC newsletters contain hypothetical performance that do not include transaction costs, advisory fees, or other fees a client might incur if actual investments and trades were being made by an investor. As a result, newsletter performance should not be used to evaluate Navellier Investment services which are separate and different from the newsletters. **The owner of the newsletters is InvestorPlace Media, LLC and any questions concerning the newsletters, including any newsletter advertising or hypothetical Newsletter performance claims, (which are calculated solely by IPM and not Navellier) should be referred to InvestorPlace Media, LLC at (800) 718-8289.**

#### **ITEM 5. ADDITIONAL COMPENSATION**

Mr. Navellier receives compensation for contributing research and commentary to the above described newsletters.

#### **ITEM 6. SUPERVISION**

Navellier & Associate, Inc.'s Compliance Department periodically reviews Mr. Navellier's activities regarding marketing of the above referenced newsletters to ensure that the public is made aware that a clear separation exists between the two businesses and to ensure that our "Newsletter Disclosure" (see Item 4 above) is disseminated to both our potential clients and to persons interested in the newsletters.

# Brochure Supplement

Form ADV Part 2B  
March 27, 2018

## ITEM 1. COVER PAGE

### Michael Garaventa

*Portfolio Manager*

Navellier & Associates, Inc.  
One E. Liberty, Suite 504  
Reno, NV 89501  
775-785-2300

This brochure supplement provides information about Michael Garaventa that supplements the Navellier & Associates, Inc. firm brochure. You should have received a copy of that brochure. Please contact Navellier if you did not receive Navellier & Associates, Inc. brochure or if you have any questions about the contents of this supplement. Additional information about Michael Garaventa is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Year of Birth: 1977

University of Nevada, Reno – B.S.

Business Background: 14 years in securities industry  
Navellier & Associates, Inc.

Portfolio Manager (2014 – present)

Portfolio Manager, Research Consultant (2010 – 2013)

Portfolio Manager, Research Analyst (2005 – 2010)

## ITEM 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

## ITEM 4. OTHER BUSINESS ACTIVITIES

Mr. Garaventa contributes research and commentary to certain newsletters owned by InvestorPlace Media, LLC, primarily to *Louis Navellier's Ultimate Growth* newsletter. It is possible that conflicts of interest may arise in relation to our investment advisory services to our clients and the sale of newsletters. For example, it is possible that Mr. Garaventa could be more highly compensated for his contributions to newsletters and solicit potential advisory clients to purchase newsletters as a substitute or in addition to our investment advisory services.

On a continuing basis, we address the potential conflict of interest by ensuring that potential clients receive the following "Newsletter Disclosure." The disclosure is included throughout our website, in our periodic *MarketMail* materials, and in our fee agreements.

**IMPORTANT NEWSLETTER DISCLOSURE:** The hypothetical performance results for investment newsletters that are authored or edited by Louis Navellier, including *Louis Navellier's Growth Investor*, *Louis Navellier's Breakthrough Stocks*, *Louis Navellier's Accelerated Profits*, and *Louis Navellier's Platinum Club*, are not based on any actual securities trading, portfolio, or accounts, and the newsletters' reported hypothetical performances should be considered mere "paper" or proforma hypothetical performance results and are not actual performance of real world trades. Navellier & Associates, Inc. does not have any relation to or affiliation with the owner of these newsletters. There are material differences between Navellier Investment Products' portfolios and the InvestorPlace Media, LLC newsletter portfolios authored by Louis Navellier. The InvestorPlace Media, LLC newsletters contain hypothetical performance that do not include transaction costs, advisory fees, or other fees a client might incur if actual investments and trades were being made by an investor. As a result, newsletter performance should not be used to evaluate Navellier Investment services which are separate and different from the newsletters. **The owner of the newsletters is InvestorPlace Media, LLC and any**

**questions concerning the newsletters, including any newsletter advertising or hypothetical Newsletter performance claims, (which are calculated solely by Investor Place Media and not Navellier) should be referred to InvestorPlace Media, LLC at (800) 718-8289.**

**ITEM 5. ADDITIONAL COMPENSATION**

Mr. Garaventa receives compensation for contributing research and commentary to the above described newsletter.

**ITEM 6. SUPERVISION**

Navellier & Associates, Inc.'s Compliance Department periodically reviews Mr. Garaventa's activities regarding his contributions of research and commentary to the above referenced newsletter to ensure a clear separation exists between the two businesses in the public's eye.

Louis G. Navellier is the firm's Chief Investment Officer and Chief Compliance Officer. Ultimately, Mr. Navellier is responsible for supervision of individuals providing investment advice to clients. He can be reached at 775-785-2300.

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Form ADV Part 2B  
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## ITEM 1. COVER PAGE

### **Timothy Hope**

*Portfolio Manager/Applied Research Analyst*

Navellier & Associates, Inc.  
One E. Liberty, Suite 504  
Reno, NV 89501  
775-785-2300

This brochure supplement provides information about Timothy Hope that supplements the Navellier & Associates, Inc. firm brochure. You should have received a copy of that brochure. Please contact Navellier if you did not receive Navellier & Associates, Inc. brochure or if you have any questions about the contents of this supplement. Additional information about Timothy Hope is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Year of Birth: 1961  
San Francisco State University – B.A.  
University of Nevada, Reno – M.A.

Business Background: 23 years in securities industry  
Navellier & Associates – past five years  
Portfolio Manager, Applied Research Analyst (2010 – present)  
Applied Research Analyst (2003 – 2010)

## ITEM 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

## ITEM 4. OTHER BUSINESS ACTIVITIES

Mr. Hope contributes research and commentary to certain newsletters owned by InvestorPlace Media, LLC, primarily to *Louis Navellier's Ultimate Growth* newsletter. It is possible that conflicts of interest may arise in relation to our investment advisory services to our clients and the sale of newsletters. For example, it is possible that Mr. Hope could be more highly compensated for his contributions to newsletters and solicit potential advisory clients to purchase newsletters as a substitute or in addition to our investment advisory services.

On a continuing basis, we address the potential conflict of interest by ensuring that potential clients receive the following "Newsletter Disclosure." The disclosure is included throughout our website, in our periodic *MarketMail* materials, and in our fee agreements.

**IMPORTANT NEWSLETTER DISCLOSURE:** The hypothetical performance results for investment newsletters that are authored or edited by Louis Navellier, including *Louis Navellier's Growth Investor*, *Louis Navellier's Breakthrough Stocks*, *Louis Navellier's Accelerated Profits*, and *Louis Navellier's Platinum Club*, are not based on any actual securities trading, portfolio, or accounts, and the newsletters' reported hypothetical performances should be considered mere "paper" or proforma hypothetical performance results and are not actual performance of real world trades. Navellier & Associates, Inc. does not have any relation to or affiliation with the owner of these newsletters. There are material differences between Navellier Investment Products' portfolios and the InvestorPlace Media, LLC newsletter portfolios authored by Louis Navellier. The InvestorPlace Media, LLC newsletters contain hypothetical performance that do not include transaction costs, advisory fees, or other fees a client might incur if actual investments and trades were being made by an investor. As a result, newsletter performance should not be used to evaluate Navellier Investment services which are separate and different from the newsletters. **The owner of the newsletters is InvestorPlace Media, LLC and any questions concerning the newsletters, including any**

**newsletter advertising or hypothetical Newsletter performance claims, (which are calculated solely by Investor Place Media and not Navellier) should be referred to InvestorPlace Media, LLC at (800) 718-8289.**

**ITEM 5. ADDITIONAL COMPENSATION**

Mr. Hope receives compensation for contributing research and commentary to the above described newsletter.

**ITEM 6. SUPERVISION**

Navellier & Associates, Inc.'s Compliance Department periodically reviews Mr. Hope's activities regarding his contributions of research and commentary to the above referenced newsletter to ensure a clear separation exists between the two businesses in the public's eye.

Louis G. Navellier is the firm's Chief Investment Officer and Chief Compliance Officer. Ultimately, Mr. Navellier is responsible for supervision of individuals providing investment advice to clients. He can be reached at 775-785-2300.

# Brochure Supplement

Form ADV Part 2B  
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## ITEM 1. COVER PAGE

### **Michael J. Borgen**

*Portfolio Manager, Research Consultant*

Navellier & Associates, Inc.  
One E. Liberty, Suite 504  
Reno, NV 89501  
775-785-2300

This brochure supplement provides information about Michael J. Borgen that supplements the Navellier & Associates, Inc. firm brochure. You should have received a copy of that brochure. Please contact Navellier if you did not receive Navellier & Associates, Inc. brochure or if you have any questions about the contents of this supplement. Additional information about Michael J. Borgen is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2. EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Year of Birth: 1974  
University of Nevada, Reno – B.S.  
University of Nevada, Reno – M.S.

Business Background: 20 years in securities industry  
Navellier & Associates, Inc. – past five years  
Portfolio Manager, Research Consultant (2014 – present)  
Senior Portfolio Manager (2005 – 2014)

## ITEM 3. DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

## ITEM 4. OTHER BUSINESS ACTIVITIES

Michael J. Borgen contributes research and commentary to certain newsletters owned by InvestorPlace Media, LLC, primarily to *Louis Navellier's Ultimate Growth* and *Louis Navellier's Emerging Growth* newsletters. It is possible that conflicts of interest may arise in relation to our investment advisory services to our clients and the sale of newsletters. For example, it is possible that **Michael J. Borgen** could be more highly compensated for his contributions to newsletters and solicit potential advisory clients to purchase newsletters as a substitute or in addition to our investment advisory services.

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#### **ITEM 5. ADDITIONAL COMPENSATION**

Mr. Borgen receives compensation for contributing research and commentary to the above described newsletters.

#### **ITEM 6. SUPERVISION**

Navellier & Associates, Inc.'s Compliance Department periodically reviews Mr. Borgen's activities regarding his contributions of research and commentary to the above referenced newsletter to ensure a clear separation exists between the two businesses in the public's eye.

Louis G. Navellier is the firm's Chief Investment Officer and Chief Compliance Officer. Ultimately, Mr. Navellier is responsible for supervision of individuals providing investment advice to clients. He can be reached at 775-785-2300.