

Form ADV, Part 2A

**SUPREME ALLIANCE LLC**

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This Brochure provides information about the qualifications and business practices of Supreme Alliance LLC, also known as SALLC. If you have any questions about the contents of this Brochure, please contact us at 561-460-2870 or by email at [hsmith@supremealliancellc.com](mailto:hsmith@supremealliancellc.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. SALLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about SALLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD/CRD number. Our firm's IARD/CRD number is 45348.

## Item 2 – Material Changes

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was May 2020.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting our Chief Compliance Officer at 561-460-2870 or [hsmith@supremealliancellc.com](mailto:hsmith@supremealliancellc.com) . Additional information about Supreme Alliance LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) . The website also provides information about any persons affiliated with Supreme Alliance LLC who are registered, or are required to be registered, as investment adviser representatives of Supreme Alliance LLC.

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September 2019; The firm updated Item 16, "Investment Discretion", as the firm occasionally accepts discretionary trading authority with prior authorization from the Client and in accordance with each Client's investment objectives and goals.

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## Item 4 – Advisory Business

### **Our Background**

Supreme Alliance LLC (SALLC) is an SEC Registered Investment Advisor. SALLC provides high value risk management, actuarial analysis, benefits consulting, investment banking, financial consulting, management consulting, insurance consulting, and investment advisory services to clients throughout America and abroad. SALLC is owned directly by “Insurance Distribution Consulting LLC”. Insurance Distribution Consulting LLC is owned directly by Michael Washington Jones ("representative"). Our representatives may also receive compensation from the other aforementioned activities in addition to any investment advisory fee charged by SALLC. The Firm was Incorporated in Delaware, in March 1998, as “BMS International Inc”, and became a Member Broker/Dealer of NASD/FINRA in October 1998. In January 2012, the Firm was purchased by Michael Washington Jones / Insurance Distribution Consulting LLC, and the name was changed to Supreme Alliance LLC. The Firm remains a FINRA Member in good standing. In 2013 we Registered as an Investment Advisor, offering Investment Advisory Services via our Broker/Dealer.

### **Advisory Services Programs**

Investment advisory services are among the services offered through our investment advisor representatives SALLC provides a variety of investment advisory services to our clients: (1) Consulting Services - where a fee is charged to clients for financial planning and/or other investment advice; (2) Third-Party Investment Advisor ("TPIA") Programs - where our representatives offer access to certain unaffiliated third-party investment advisory programs; (3) Managed Account Programs - where advisory fees are charged for services provided in several managed programs. i.e; Asset Mark, Frontier Asset Mgt, Flexible Plan Investments, TPIFG. SALLC and our representatives provide personal investment advisory and financial planning services. Our representatives and/or third-party investment advisors affiliated with SALLC will assist clients with the formulation of an overall investment strategy and financial plan. This includes analysis of financial goals that may include financial advice regarding estate planning, retirement planning, educational funding, insurance planning and benefits planning, preparation of financial analysis, capital sufficiency, cash flow and income tax projections. For all advisory services and programs, it is the client's responsibility to notify his/her representative in a timely manner of any material changes in his/her investment objectives, risk tolerances, and/or financial circumstances.

### **1) Consulting Services and Financial Planning**

Our representatives may provide advisory consulting services relating to securities and investments on a varied range of topics, including, but not limited to: portfolio evaluation, investment objectives, risk tolerances and Strategies, education planning, estate planning, retirement planning, asset allocation, tax planning, risk management, cash flow analysis, and net worth analysis. Consulting services offered by our representatives may involve the collection of

personal and financial data from the client and giving investment and financial advice based upon such data designed to facilitate achievement of the client's stated financial objectives. In addition, if the client desires, ongoing financial planning advice may be provided. Clients may enter into a consulting agreement with our representatives on a negotiated hourly, flat, or fixed-fee rate. If fees are charged on an hourly basis, they may not exceed \$500 per hour. Representatives of SALLC may provide consulting services on a one-time or ongoing basis to qualified retirement plans. In addition to the hourly, flat, or fixed-fee rate, representatives may charge a consulting fee as a percentage of assets. The maximum annual account consulting fee, when charged as a percentage of assets, is 3% and is negotiable. Representatives may assist plan sponsors with their fiduciary duties and help provide advice based upon the particular needs of the plan and/or the participants. Advice may include portfolio composition, investment selection and monitoring, policy statement support, and participant advice programs.

Consulting fees are negotiable and may depend on the complexity of the client's finances and/or how comprehensive the client wishes the consultation to be. Fees will be stated in the agreement with the client and agreed to in advance by the client and the representative. Lower or higher fees for comparable services may be available from other sources. With prior approval from management, our representatives may provide consulting services at no charge for philanthropic or charitable purposes

## **2) Third-Party Investment Advisor Programs**

SALLC offers our clients access to certain unaffiliated professional third-party money managers who provide asset Management and investment advisory services that are outside the scope of the Managed Account Program umbrella. TPIA programs typically offer clients access to a variety of model portfolios with varying levels of risk from which they may choose. Accounts with TPIAs are not managed by SALLC; rather, they are managed by the TPIA on a discretionary basis. Representatives will help clients determine their investment goals, risk tolerances, and other relevant guidelines in order to help them select a TPIA program that appears to satisfy their investment needs in relation to this information collected. A client may select a recommended TPIA based upon his/her needs. Clients will enter into an agreement directly with the unaffiliated TPIA who shall provide asset management services. Accounts with TPIAs may consist of a variety of different securities types, including but not limited to: stocks, bonds, mutual funds, fixed income, Exchange Traded Funds, and variable annuities. Our representatives may answer questions that their clients may have regarding their accounts and act as communication conduit between the TPIA and the client. Neither SALLC nor our representatives have any trading authority with respect to a client's account with the TPIA. The TPIA has discretionary authority over the account. Account minimums for unaffiliated TPIA programs will vary for each TPIA. A complete explanation of the TPIA fees, services, reporting, and minimums are disclosed within the TPIA's disclosure documents. Pursuant to an arrangement and prior to a client entering into an agreement with a TPIA, our representatives arrange for the ADV Part 2A or equivalent brochure materials relative to the advisory services to be provided to the client. SALLC and our representatives are compensated for referring clients to the TPIA programs. This compensation generally takes the form of the TPIA sharing a percentage of the advisory fee the client pays to them with SALLC and his/her representative. Fees are calculated and collected by the selected

TPIA, who shall then be responsible for delivering our portion of the client fee to SALLC. Our representatives will provide each client with an appropriate disclosure document that provides full details of the TPIA. Additional charges that clients may incur include but are not limited to: sales loads, 12b-1 fees, surrender charges, transactional fees, and miscellaneous account fees. SALLC does not receive any portion of such fees or commissions. SALLC is compensated by the advisory fees as noted above.

SALLC may charge a due diligence fee to TPIAs in order to provide ongoing supervision reviews of their products. If charged, the fee is capped at a maximum of twenty five basis points. This potential receipt of additional compensation may create a conflict of interest. Our representatives may have a conflict of interest by offering those TPIAs that have agreed to pay a portion of their advisory fees to SALLC and have met the conditions of our due diligence review. There may be other suitable outside TPIA programs that are more or less costly to the client. A conflict of interest exists between the interests of the investment adviser and the interests of the clients. The client is under no obligation to act upon the investment advisor's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser. SALLC monitors the services rendered by the selected TPIAs. If SALLC determines that a particular selected TPIA is not providing sufficient appropriate management services to the client, we may suggest that the client contract with a different TPIA. Under this scenario, our firm may assist the client in selecting a new third-party investment advisor and/or managed account program. However, any move to a new third-party investment advisor and/or managed account program is solely at the discretion of the client.

### **3) Assets under Management Accounts**

Assets under Management Accounts Programs are managed accounts where the client pays a single fee for portfolio Management services. Depending on the program, clients may be responsible for transactional and miscellaneous charges. Asset management fees will be charged by the company, in arrears, on a quarterly basis. The Third-Party custodians will charge separate fees for their services. The Managed Account Programs ("Programs") are offered through SALLC and our representatives. As part of the process, our representatives will collect certain information from each potential client, including, but not limited to: information regarding income, liabilities, amount of investment assets, investment experience, risk tolerance and investment objectives.

The representative will evaluate the client's investment objectives and consult him/her on the various Managed Account Programs. After this evaluation and consultation, the representative will make a determination as to whether any of the Programs are appropriate given the objectives and disclosures made by the individual. After the individual has reviewed the Programs and indicated his/her understanding of the Programs, including the risks and benefits of the Programs, a Program will be selected and an account will be established. As part of the program services, the representative will customize an investment portfolio for the client in accordance with client's risk tolerance and investment objectives. Once the representative constructs an investment portfolio for the client, the representative will monitor the portfolio's performance on an ongoing basis and will rebalance the portfolio as required due to changes in market

conditions and in the client's financial circumstances. SALLC, our representatives will have full discretion over client accounts. Discretionary authorization will allow our firm to determine the specific securities and the amount of securities to be purchased or sold for client accounts without client approval prior to each transaction. Clients may limit our discretionary authority (for example, limiting the types of securities that can be purchased for their account) by providing our firm with their restrictions and guidelines in writing. Such restrictions/guidelines may affect the composition and performance of a client's portfolio and/or our ability to meet his/hers investment objectives. Our representative may utilize individual equities, mutual funds, Exchange Traded Funds, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy. The investment advisory services provided by the representative through the various Programs are dependent upon the information provided by each client. For our representative to provide suitable recommendations and to make appropriate investment decisions for the client, the client must provide accurate information and complete responses to the questions asked by his/her representative. The client should inform his/her representative of any material changes in his/her investment objectives or any changes in his/her financial situation as well as any restrictions on the account that may impact the overall investment goals. Our representatives shall, at least annually, contact their clients to determine whether there has been any change in a client's financial situation or investment objectives.

This program enables the representative to assist the client in creating a personalized investment portfolio. The client's Representative acts as the portfolio manager and has full investment discretion. The minimum initial investment in the Assets under Management Programs is \$25,000.00.

## Item 5 – Fees and Compensation

### **Fees for Advisory Services**

Supreme Alliance LLC advisory fees vary depending on the type of advisory program. The following are the three types of advisory programs and the fees associated with each program. It is possible that lower fees for comparable services may be available from other sources, however, our fees are reasonable in light of our experience, expertise.

### **Fees for Consulting Services/Financial Planning**

Clients may enter into a consulting agreement with our representatives on a negotiated hourly, flat, or fixed-fee rate. If fees are charged on an hourly basis, they may not exceed \$500 per hour. These services will be completed inside of a six month period. Clients receiving consulting services are required to pay fees at the time of service. Consulting fees paid directly by the client and by check should be made payable to SALLC. At no time, should a client make a check payable to their representative or the representative's "doing business as" name. Representatives of SALLC may provide consulting services on a one-time or ongoing basis to qualified retirement plans. In addition to the hourly, flat, or fixed-fee rate, representatives may charge a consulting fee as a percentage of assets under management. The maximum annual account consulting fee, when

charged as a per-centage of assets under management, is 3% and is negotiable. Any registered investment adviser who wishes to charge 3.0% or greater of the assets under management must disclose that such fee is in excess of the industry norm and that similar advisory services can be obtained for less. The client may cancel the agreement by providing written notice and receive a full refund within five (5) business days after signing the agreement.

If the client terminates the agreement prior to completion of the plan, the client may receive a pro-rated refund. If the client is unsatisfied with a written financial plan, he/she may request in writing a full refund of his/her fee within 90 days of the plan's presentation. The consulting and financial planning services are different from the services provided under the assets under management services. There is the possibility for Conflict of Interest, in that certain products we recommend may pay us a commission if Client chooses to follow our recommendation and purchase any such product. Client is under No obligation to act upon our recommendation(s), nor to purchase any product or effect any transactions through Supreme Alliance, which we might recommend. Client can purchase any recommended product or effect any transaction through Supreme Alliance, our Representative, or through "anyone else" Client chooses. The consulting and financial planning services include the following items which are not covered under our assets under management services:

- Actuarial analysis
- Stochastic analysis
- Ruin risk analysis
- Charitable lead annuity tax planning
- Structured Tax planning
- Income and withdrawal planning
- Benefit and Compensation Planning
- Life, Health, and disability analysis
- Long Term Care Insurance analysis
- Supplemental Executive Retirement Planning

These are the key differences between our consulting/financial planning services and our assets under management services. Accordingly, there are different fee structures. Please see the TPIA and Custodian Fees under the respective headings in this document.

### **Fees**

Hourly fees – up to a maximum of \$500.00 per hour

Fixed Fee/Flat Fees - \$500.00 - \$2,500.00 per plan

A percentage of Assets under Management.

*\*Note: Lower fees for comparable services may be available from other sources.*

### **Fees for Third-Party Investment Advisor Programs**

SALLC and our representatives are compensated for referring clients to the TPIA programs. This compensation generally takes the form of the TPIA sharing a percentage of the advisory fee the client pays to them with SALLC and his/her representative.



Fees are calculated and collected by the selected TPIA which shall then be responsible for delivering our portion of the client fee to SALLC. A complete explanation of the TPIA fees, services, reporting, and minimums are disclosed with the TPIA's disclosure documents. At the time of referral and prior to a client entering into an agreement with a TPIA, our representatives arrange for the ADV Part 2A and other material relative to the advisory services to be provided to the client. The TPIA Fees may or may not be negotiable. Terminations are dictated by the TPIA and can be found in the TPIA documents. Additional charges that clients may incur include, but are not limited to: sales loads, 12b-1 fees, surrender charges, transactional fees, and miscellaneous account fees. SALLC does not receive any portion of such fees or commissions. SALLC is compensated by the advisory fees as noted above. SALLC does not charge management fees under the TPIA program in addition to the fees charged by the TPIA. This compensation generally takes the form of the TPIA sharing a percentage of the advisory fee the client pays to them with SALLC and his/her representative.

The Third-Party Trading Agreement will specify Supreme Alliance and its Representative, "limited" authority, for "the placement of Trade Orders to buy or sell securities and the deduction of Advisor fees.

#### **Fees for Assets Under Management**

SALLC and our representatives are compensated for clients' assets under management brought over to the custodian's platform. This compensation generally takes the form of a percentage of the assets under management. The maximum annual asset under management fee, when charged as a percentage of assets, is 3% and is negotiable. Fees are calculated by SALLC from the clients account, quarterly will be calculated as one-quarter of the total annual account advisory fee and will be calculated as a percentage of the account's value as of the last day of the previous calendar quarter. At the time of billing and with written authorization, SALLC will send a statement to the client and the custodian, disclosing the fees being deducted and how the fees are calculated. The custodian will send quarterly statements directly to the client, disclosing all the disbursements and fees deducted from the client accounts. The custodian is responsible for delivering the fees to SALLC.

Prior to a client entering into an agreement with SALLC, our representatives arrange for the SALLC ADV Part 2A and other material relative to the asset management services to be provided to the client. Transaction, clearance, and settlement fees associated with securities transactions in client accounts are passed on to the client by our clearing custodian. Additional charges that clients may incur include, but are not limited to: sales loads, 12b-1 fees, surrender charges, transactional fees, and miscellaneous account fees. The client may cancel the agreement by providing written notice and receive a full refund within five (5) business days after signing the agreement. In the event of termination the unearned fee shall be calculated on a pro-rated basis and refunded accordingly within 10 working days.

#### **Free Services**

Annual Account Maintenance; Inactive Account; Transfer Out/Account Closing; IRA Termination;

Online Confirmations and Statements; Cost Basis Accounting; Incoming/Outgoing DRS (Direct Registration System); DWAC (Direct Withdrawal at Custodian)

### **General Fee Information**

Our clients are made aware of and acknowledge that certain mutual funds may contain sales loads and/or marketing and Management fees at the mutual fund level, that variable annuities contain management, insurance, and possible commissions and other fees at the variable annuity level, and that this potential receipt of additional compensation creates a conflict of interest. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity directly, without SALLC or our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual funds or annuities are appropriate to each client's financial condition and objectives. Fees assessed by third parties for processing transactions may be passed through to the clients account. Also, note some special services may also require additional fees or transaction minimums not specifically listed here. Our clients are also made aware of and acknowledge that, based upon current tax law, withdrawals from variable annuities, even if to pay investment advisory fees, may cause the client to realize taxable income. Additionally, if these withdrawals are made prior to the age of 59 1/2, he or she may incur an additional 10% penalty. For variable annuities that contain a free withdrawal provision, clients are aware and acknowledge that withdrawals from these variable annuities to pay investment advisory fees may result in a reduction in the client's annual free withdrawal amount. Depending on the program, the total amount of Annual Account Advisory Fee may be up to a maximum of 3% of the client's investment assets and may be more than a representative would receive if the client participated in other programs or paid a separate fee for investment advisory services, brokerage commissions, and other services. As a result, representatives may have a financial incentive to recommend the program to clients rather than recommending other products or services.

### **Employee Retirement Income and Securities Act Disclosures**

SALLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986, respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, SALLC may only charge fees for investment advice about products for which our firm and/or our representatives do not receive any commissions or 12b-1 fees, or conversely, may only charge fees for investment advice about products for which our firm and/or our representatives receive commissions or 12b-1 fees, however, only when such fees are used to offset SALLC's advisory fees.

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

SALLC does not charge any performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets of a client).

## Item 7 – Types of Clients

SALLC generally provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above
- Charitable organizations
- State or municipal government entities

The majority of our clients are retail clients that fall under the "individuals (other than high net worth individuals)" Category. This category includes, but is not limited to: individual, joint, trust, IRA, 401(k) participant, and custodial accounts. As previously disclosed in Item 5, our firm has established certain initial minimum account requirements based on the nature of the service(s) being provided. In some cases, account balances may be combined at the household level to satisfy the account minimums. At our discretion, SALLC may waive these minimums.

- \$25,000 account minimums.
- Account minimums for third-party investment advisor programs generally range from \$25,000 to \$50,000.

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

Representatives of SALLC provide individualized advisory services to their clients. When evaluating strategies and investment products, our representatives have the flexibility and independence to select an approach they deem suitable. SALLC and our representatives do not endorse any one prevailing form of analysis or strategy for use in our advisory programs. SALLC and our representatives may rely on several of the more common strategies and types of analyses when working with clients, however, some of the more commonly used forms of analyses and strategies are as follows:

**Fundamental Analysis:** The intrinsic value of a security is measured by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis:** Past market movements are analyzed and applied to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement. Charting: In this type of technical analysis, charts of market and security activity are reviewed in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse. It is important to understand that past performance does not guarantee future results in technical and charting analysis.

**Cyclical Analysis:** In this type of technical analysis, the movements of a particular stock are measured against the overall market in an attempt to predict the price movement of the security.

**Asset Allocation:** Rather than focusing primarily on securities selection, this strategy attempts to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis:** SALLC and/or our representatives look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as SALLC does not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Third-Party Investment Advisor:** SALLC and/or our representatives examine the experience, expertise, investment Philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as SALLC does not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as SALLC does not control the manager's daily business and compliance operations, SALLC may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

**Risks for all Forms of Analysis:** Securities analysis methods rely on the assumption that the companies whose securities were purchased and sold, the rating agencies that review these securities, and other publicly-available sources of information about these securities are providing accurate and unbiased data. There is always a risk that analysis may be compromised by inaccurate or misleading information.

**Long-term Purchases:** Securities are purchased with the idea of holding them in the client's account for a year or longer. Typically this strategy is employed when:

- securities are believed to be currently undervalued, and/or
- exposure is desired to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, SALLC may not take advantage of short-term gains that could be profitable to a client. Moreover, if predictions are incorrect, a security may decline sharply in value before the decision to sell is made.

**Short-term Purchases:** When utilizing this strategy, securities are purchased with the idea of selling them within a relatively short time (typically a year or less). This is an attempt to take advantage of conditions that are believed to soon result in a price swing in the securities purchased. A short-term purchase strategy poses risks should the anticipated price swing not materialize, left then with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased Brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Short-term Trading:** Securities are purchased with the idea of selling them very quickly (typically within 30 days or less). This is done in an attempt to take advantage in predictions of brief price swings.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Margin Transactions:** Stocks are purchased for client's portfolios with money borrowed from his/hers brokerage accounts. This allows the client to purchase more stock than he/she would be able to with his/her available cash and allows SALLC to purchase stock without selling other holdings.

**Option writing:** Options may be used as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives SALLC the right to buy an asset at a certain price within a specific period of time. A call may be bought if it is believed that the stock will increase substantially before the option expires.
- A put gives SALLC the right to sell an asset at a certain price within a specific period of time. A put may be bought if it is believed that the price of the stock will fall before the option expires.

Options may be used to "hedge" a purchase of an underlying security: in other words, an option purchase may be used to attempt to limit the potential upside and downside of a security in a client's portfolio.

"Covered Calls" may be used, in which an option is sold on a security the client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options may generally be more volatile than prices of other types of securities. When trading in options, clients may run the risk of losing the entire investment in a relatively short period of time.

**Risk of Loss:** Securities investments are not guaranteed, and clients may lose money on their investments. Investing in securities involves risk of loss that clients should be prepared to bear. SALLC asks that clients work with us to help us understand their tolerance for risk. Past performance is in no way an indication of future performance. SALLC cannot offer any guarantees or promises that client financial goals and objectives will be met. All types of strategy and analysis contain risk of loss.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SALLC or the integrity of SALLC's management. SALLC would like to disclose that our email was hacked and potentially affected 81 Customer's email accounts. SALLC sent out notifications to all those Customers. FINRA Fined the Firm \$65,000.

## Item 10 – Other Financial Industry Activities and Affiliations

In addition to being registered as a broker/dealer and registered investment advisor, SALLC is also licensed in many, Various States as an insurance agency. Our representatives are registered with SALLC (Broker/Dealer, Member: FINRA). As registered representatives they may also be licensed insurance agents. SALLC and our representatives, acting in capacity as insurance agents, will earn commission-based compensation for selling insurance products such as life, health, and long term care products. Insurance commissions are separate from our advisory fees. This practice presents a conflict of interest where representatives providing investment advice on behalf of our firm who are insurance agents, have an incentive to recommend insurance products to clients for the purpose of generating commissions. In addition, SALLC is a fiduciary and must

act in the best interest of clients. Clients are under no obligation, contractually or otherwise, to purchase insurance products through SALLC and our representatives may recommend that clients use a licensed third-party investment advisor ("TPIA") based on their needs and suitability. Prior to referring clients to third party advisors SALLC ensures that the third-party advisors are duly licensed or notice filed with the Department of Corporations or other appropriate jurisdictions. SALLC and our representatives may receive compensation from these TPIAs for recommending that clients use their services. This compensation generally takes the form of the TPIA sharing a percentage of the advisory fee the client pays to them with SALLC and his/her representative. These compensation arrangements present a conflict of interest because SALLC and our representatives have a financial incentive to recommend TPIAs that pay fees rather than those that don't. In addition, SALLC and our representatives may have a conflict to refer clients to those TPIAs that pay higher fees over those that pay lower fees. Clients are not obligated, contractually or otherwise, to use the services of any TPIA that SALLC or our representatives recommend.

SALLC provides actuarial and other consulting services. The fees for such services are separate and apart from the advisory fees charged by SALLC. The actuarial and other consulting services that SALLC provides include but are not limited to the following:

- Product Development and Pricing
- Reserving
- Financial Reinsurance
- Plan Analysis
- Enterprise Risk Management Services
- Risk Analysis
- Risk Based Capital Analysis and Adequacy

SALLC has procedures in place to address conflicts of interest that may arise from the firms' other business.

## Item 11 – Code of Ethics

Our firm has adopted a Code of Ethics that sets forth high ethical standards of business conduct that SALLC requires of our representatives, including compliance with applicable federal securities laws. SALLC and our representatives owe a duty of loyalty, fairness, and good faith towards 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 of Ethics. Our Code of Ethics includes policies regarding quarterly securities transaction reports, as well as initial and annual securities holdings reports that must be submitted by the firm's access persons.

Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering such as a private placement or an initial public offering. The Code of Ethics provides oversight, enforcement and recordkeeping provisions. The Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While SALLC does not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code of

Ethics is available to our advisory clients and prospective clients. Clients may request a copy by calling SALLC at 561-460-2870.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our representatives and employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while allowing representatives and employees to invest for their own accounts at the same time.

SALLC does not participate in agency cross or principal transactions. Our firm generally does not buy or sell securities for our own account that it recommends to clients. Representatives and employees may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) that may also be recommended to a client. These situations represent conflicts of interest to our clients and create incentives for our representatives to put their own interests ahead of clients'. Personal securities transactions by representatives and employees are monitored by SALLC. SALLC has established the following personal trading practices to ensure our firm and representatives comply with our regulatory obligations and provide our clients and potential clients with full and fair disclosure of such conflicts of interest. In addition, we are fiduciaries and the following are our code:

- No representative or employee of our firm may put his or her own interest above the interest of an advisory client.
- No representative or employee of our firm may buy or sell securities for his or her personal portfolio(s) where his or her decision is the result of information received as a result of his or her employment unless the information is also available to the investing public.
- In general no representative or employee may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts. We will however act in the best interest of the client.
- Our firm requires prior approval for any initial public offerings or private placement investments by related persons of the firm.
- All of our representatives and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- SALLC requires delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.

## Item 12 – Brokerage Practices

SALLC does not provide custodial services to clients. SALLC recommends client to other brokers for custodial services. SALLC Participates in the Charles Schwab Institutional program. Charles Schwab is a Member: FINRA/SIPC. Charles Schwab is an independent (and unaffiliated) SEC-Registered Broker/Dealer. Charles Schwab offers to independent investment Advisors services which include custody of securities, trade execution, clearance, and settlement of transactions.



Advisor receives some benefits from Charles Schwab through its participation in the program. (Please see the following disclosure, under item 14 below).

Not all advisors require their clients to direct brokerage, and by directing brokerage to Charles Schwab, we may be unable to achieve the most favorable execution. If directing a client to Charles Schwab to execute the client's transactions is found not to be the most favorable, we will discuss with Client to determine the most favorable.

We do not provide any custodial services, and we do not aggregate clients purchase or sale of securities. Charles Schwab will aggregate the purchase and sale of securities to achieve the most favorable results for the client.

## Item 13 – Review of Accounts

Representatives monitor advisory accounts on an ongoing basis and typically conduct reviews annually. However, reviews may occur more frequently based upon individual circumstances, nature and/or complexity of the portfolio, and/or changes in market, political, or economic environment. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio. SALLC requests that clients meet and/or communicate with their representatives at least annually to ensure that the investment plan/strategies continue to be aligned with the clients' stated individual objectives, needs, goals, risk tolerance, and time horizon. Clients will receive monthly or quarterly statements as well as transactional confirmations from the account custodian. Clients should review these statements carefully and contact their representative immediately if discrepancies are noted.

### **Managed Account Programs**

Principals in the compliance and trading/operations departments of SALLC review client managed accounts periodically, as well as consulting and financial plans, to identify circumstances that may warrant a more detailed review of a client account. Circumstances that may trigger a review include, but are not limited to: transactions, inactivity, and balance amounts.

Henry Smith is the CCO and reviews the accounts periodically.

### **Third Party Investment Advisory Programs**

Clients should refer to the independent third-party investment advisor's firm brochure (or other disclosure documents used in lieu of the brochure) for information regarding the nature and frequency of reviews and reports provided by that independent third-party investment advisor. Third-party investment advisors generally provide the client with a quarterly report of account holdings, transactions, and balances.

### **Consulting Services/Financial Planning**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews, unless otherwise contracted for, will be conducted for

consulting and/or financial planning services. Such reviews will be conducted by the client's representative.

## Item 14 – Client Referrals and Other Compensation

### Client Referrals

#### **\*SALLC does Not pay Referral Fees.**

SALLC and our representative may recommend third-party investment advisors, i.e; Hanlon Investments and Flexible Plan Investments. SALLC may be compensated by these third-party investment advisors for referring a client's advisory business to them. This compensation generally takes the form of SALLC and the representative sharing the third-party investment advisor's advisory fee that the third-party investment advisor charges the client. Both the representative and SALLC may have a conflict of interest to refer the client's advisory business to those third-party investment advisors that pay referral fees to SALLC or to those that pay higher referral fees to SALLC.

Representatives and/or SALLC may also receive educational support and training, marketing support, or some other economic benefits in addition to our receipt of the referral fees from a third-party investment advisor to whom we have referred advisory business. These benefits and support are paid from the third-party investment advisor's own funds and not from client funds. However, representatives and/or SALLC may have a conflict of interest to favor referring advisory business to those third-party investment advisors that provide this support and economic benefit over those third-party investment advisors that don't provide such support or economic benefit.

### Other Compensation

Our firm and representatives are eligible to receive incentive awards (including prizes such as trips) based on sales and/or number of new accounts opened. While SALLC endeavors at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

#### **Client Referrals and Other Compensation, Continued:**

SALLC (Advisor) participates in Charles Schwab customer program and we may recommend Charles Schwab to our Clients for Custody and brokerage services. There is no direct link between SALLC's participation in the program and the Investment advice we give to our Clients, although we do receive economic benefits through our participation in the program that are typically not Available to Charles Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions or execution and then allocate the appropriate shares to Client accounts); the ability to have Client Advisory Fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; account

discount on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. Charles Schwab may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by Charles Schwab through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at Charles Schwab. Other services made available by Charles Schwab are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on their amount of brokerage transactions directed to Charles Schwab. As part of its fiduciary duties to Clients, Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of Economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly Influence the Advisor's choice of Charles Schwab for custody and brokerage services.

## Item 15 –Custody

SALLC does not provide custodial services for client assets. Charles Schwab is the Custodian we direct our Clients to. Custodian directly debits client account(s) for the payment of our advisory fees. We receive written authorization from clients before withdrawing fees from client accounts. The custodian sends statements to clients on a quarterly basis, showing the amounts withdrawn from their account. Finally, each time an invoice is sent to the custodian, a notice will be sent to the client showing the amount billed and how it was calculated. Clients will receive account statements at least quarterly from the broker-dealer, bank, or other independent qualified Custodian that holds and maintains their funds and securities. Clients should carefully review the statements they Receive from their account custodians. Clients should contact SALLC directly at (561) 460-2870 if they believe that there may be an error in their statement. It is important to compare the information on these statements with any reports received from SALLC. Please note that there may be minor variations due to reporting dates, accounting procedures, and/or valuation methodologies.

## Item 16 – Investment Discretion

SALLC occasionally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by SALLC. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by SALLC will be in accordance with each Client's investment objectives and goals. Clients can follow our advice, or choose not to do so. We do not take discretionary authority over Client's cash or securities.

## Item 17- Voting Client Securities

As a matter of firm policy, SALLC does not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing the custodian of the assets and to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. In the event SALLC were to receive any proxy materials, we would forward them directly to the client. At the client's request, SALLC may offer him/her general advice regarding his/her proxy voting rights.

## Item 18 – Financial Information

SALLC does not require or solicit payment of fees in excess of \$500.00 per client more than six months in advance of services rendered. SALLC does not take physical custody of client funds or securities or serves as trustee or signatory for client accounts. SALLC does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to our clients. SALLC has not been the subject of a bankruptcy petition at any time during the past ten years. Therefore, SALLC is not required to include a financial statement with this brochure.

## Item 19 – Requirement for State Registered Advisers

Our Investment Advisor's Principal Officer is Michael Washington Jones., FSA, MAAA). Mr. Jones has been active in the financial industry more than 20 years as a licensed insurance agent, Registered Representative (FINRA) and an Investment Advisor Representative (Series 6, 7, 24, 26, 27, 65, 63). Our Investment Advisor's 2<sup>nd</sup> Principal Officer is Henry Smith (Series 6, 7, 24, 65, 63, 99).

### **Educational Background and Business Experience**

Masters Degree in Statistics from the UWI

Bachelor of Science degree in Mathematics from UWI

Fellow of the Society of Actuaries (FSA)

Member of the American Academy of Actuaries (MAAA)

Registered General Securities and Financial Operations Principal with FINRA

Michael Jones is a registered representative and registered principal with FINRA. He passed the FINRA Series 6, 7, 24, 26, 27 and 66 exams and is a licensed insurance agent.

Michael Jones is actively engaged and licensed to conduct the following businesses:

1. Actuarial and other Consulting
2. Insurance Consulting Agency Activities
3. Financial Planning

An equal amount of time is devoted to all services. There are no performance-based fees for advisory services (fees based on a share of capital gains on, or capital appreciation of, the assets of a client). There has been no involvement in any events listed in Section D parts 1 and 2. There is no involvement in any relationship or arrangement with any issuer of securities that is not listed in Item 10.C. of Part 2A. All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Item 1

Form ADV, Part 2B

**SUPREME ALLIANCE LLC**

Langenberg Strasse 26  
Haschbach, Germany 66871

(561) 460-2870

[www.supremealliancellc.com](http://www.supremealliancellc.com)

March 2021

This Brochure provides information about the advisory personnel on whom you may rely for investment advice. Please contact SALLC if you did not receive our Brochure (ADV Part 2A) Or if you have any questions about the contents of this supplement.

Additional information about SALLC or advisory personnel is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Michael Jones – CRD# 3248874

### Item 2 - Educational Background and Business Experience

Year of Birth: 1961

#### **Education:**

Masters Degree in Statistics from the UWI

Bachelor of Science degree in Mathematics from UWI

Fellow of the Society of Actuaries (FSA)

Member of the American Academy of Actuaries (MAAA)

Registered General Securities and Financial Operations Principal with FINRA

Michael Jones is a registered representative with FINRA and a registered investment advisor representative with certain states. He passed the FINRA Series 6, 7, 24, 26, 27, and 66 exams and is a licensed insurance agent.

#### **Business Background:**

Supreme Alliance LLC – 4/2010 – Present – Vice President and Chief Actuary

Insurance Dist. Consulting LLC 9/2003 – Present - Consultant

USA Holdings, Inc. – 9/2000 – Present – Custodian

First Southern Capital 2/2009 – 9/2010 – Consultant

United Securities Alliance 1/2008 – 12/2010 - Principal

Insigne Consulting, Inc. 10/1999 – 7/2010 – Principal

Insigne Securities, Inc. 07/1999 – 03/2000 – Principal

Royal Alliance Associates 3/2—7 – 4/2010 – Managing Executive

Citizens Home Loan 6/2002 – 6/2008 - Owner

AAG Securities 6/1999 -10/1999

American Annuity Group 8/1995 – 9/1999

Mr. Jones currently serves as Vice President and Actuary of IDC. Prior to joining IDC, he served as a vice president and actuary with Wachovia/First Union National Bank (First Union). While there, he and his team designed and priced various annuity, investment, health and life insurance products for sale throughout the bank's 4,000 branch network. Mr. Jones is knowledgeable in statutory, GAAP and IFRS accounting standards. He has also worked as an actuary and financial expert at the following insurance companies: Great American Financial resources and Union Central Life.

Mr. Jones has over twenty five years' experience in the insurance, banking, securities and financial services industry. Mr. Jones has a Bachelor of Science degree in Mathematics from the University of West Indies. He also obtained his Masters in Statistics from the University of West Indies.

Mr. Jones is a Fellow of the Society of Actuaries (SOA), and a member of the American Academy of Actuaries. He has spoken at numerous industry and association meetings, as well as various training and teaching seminars to industry professionals. He is a registered general securities and financial operations principal with FINRA, holds the FINRA series 6, 7, 24, 26, 27, and 66, and is a registered investment advisor representative.

### Item 3 – Disciplinary Information

Registered advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Mr. Jones has no disciplinary information to disclose.

### Item 4 – Other Business Activities

Michael Jones is a registered representative, registered investment advisor and an insurance agent with Supreme Alliance LLC. Mr. Jones holds an insurance license in the state of North Carolina. Mr. Jones is an actuary and provides actuarial and other consulting services, insurance and investment advisory services.

### Item 5 – Additional Compensation

Registered investment advisors are required to disclose if the supervised person received an economic benefit from someone who is not a client for providing advisory services. No information is applicable to this Item.

### Item 6 – Supervision

The supervised person is monitored by Henry Smith.

#### **Henry Smith – CRD # 1736102**

Year of Birth: 1958

#### **Education:**

Registered General Securities Principal with FINRA

Henry Smith is a registered representative and registered General Securities Principal with FINRA and is a registered investment advisor representative with certain states. He is FINRA Registered Series 6, 7, 24, 63 and 65 and 99.

#### **Business Background:**

Supreme Alliance LLC: 1998 to Present - President, CEO, CCO.

Integrated Financial Planning Services: 1993-1998 Registered General Securities Principal, Compliance.

NALICO Equity Corp: 1988-1993 – Registered General Securities Principal, Registered Rep, Agent.



American Intercontinental: 1985-1988 – Agent, Registered Representative.  
Sloan-Brothers: 1984-1985 – Business Manager.  
The ELITE Corp:1983-1984 – Agent.

#### Item 7 – Requirement for State Registered Advisors

Registered investment advisors are required to disclose whether the supervised person has been involved in any events related or otherwise being found liable to arbitration claims alleging damages in excess of \$2,500.00, civil or self-regulatory organization or administrative proceedings involving: investment or investment related activity, fraud, false statement (s) or omissions, theft, embezzlement, wrongful taking of property, bribery, forgery, counterfeiting, extortion, dishonest, unfair and unethical practices.

No information is applicable to this Item.