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## *Disclosure Brochure*

*March 31, 2021*

This brochure provides information about the qualifications and business practices of Advisory Services Network, LLC (“ASN”). If you have any questions about the contents of this brochure, please contact Thomas C. Prescott, Managing Member, at 770.352.0449. 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.

ASN is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether or not to retain the services of that investment adviser.

Additional information about ASN, CRD Number 146051, also is available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 Material Changes**

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The following is a summary of material changes made to this brochure since its last annual update, dated March 23, 2020:

**Item 5 Fees and Compensation** was updated to reflect the addition of monthly subscription consulting services. Please see Item 5 of this Brochure for detailed information.

Currently, our brochure may be requested by contacting our compliance department by phone at (770) 352-0449 or by e-mail at [compliance@advservnet.com](mailto:compliance@advservnet.com). We will provide you with a copy of our current brochure at any time without charge.

Additional information about us and about our investment advisory representatives (“IARs”) is also available via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Information about your IAR may be found in the IAR’s supplement to our brochure.

*Advisory Services Network, LLC*

*SEC Number 801-71112*

*CRD Number 146051*

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## Item 3 Table of Contents

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Item 4 Advisory Business .....	1
<i>Portfolio Management Services</i> .....	2
<i>Wrap Fee Program</i> .....	3
<i>Assets Under Management</i> .....	4
<i>Third Party Investment Advisory Services</i> .....	4
<i>Financial Planning Services</i> .....	4
<i>Investment Consulting Services</i> .....	5
<i>Retirement Plan Consulting Services</i> .....	6
Item 5 Fees and Compensation.....	7
<i>Fees for Portfolio Management Services</i> .....	7
<i>Fees for Third Party Investment Management Services</i> .....	8
<i>Fees for Financial Planning Services</i> .....	9
<i>Fees for Investment Consulting Services</i> .....	9
<i>Fees for Retirement Plan Consulting Services</i> .....	10
<i>Prepayment of Fees</i> .....	10
<i>General Fee Information</i> .....	10
<i>Other Compensation</i> .....	11
Item 6 Performance-Based Fees.....	12
Item 7 Types of Clients.....	12
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	13
Item 9 Disciplinary Information .....	14
Item 10 Other Financial Industry Activities and Affiliations .....	14
Recommendation of Other Advisers .....	15
Item 11 Code of Ethics; Participation or Interest in Client Transactions and Personal Trading.....	16
Item 12 Brokerage Practices.....	17
Item 13 Review of Accounts.....	20
Item 14 Client Referrals and Other Compensation .....	21
Item 15 Custody.....	22
Item 16 Investment Discretion.....	22
Item 17 Voting Client Securities.....	23
Item 18 Financial Information.....	23

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## Item 4 Advisory Business

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Advisory Services Network, LLC (“ASN”, we, us, our, ours), located in Atlanta, Georgia, is a Limited Liability Company organized under the laws of the State of Georgia. Thomas C. Prescott and David E. Paulukaitis founded ASN in 2009 and are our principal owners. ASN is registered as an investment adviser with the Securities and Exchange Commission (“SEC”).

We offer investment advisory services through a network of independent Investment Adviser Representatives (“IARs”, advisory representative) who conduct business under the ASN name or another of our branded business names. In addition to ASN, certain IARs currently conduct advisory business through ASN under the following brands:

- |   |  |
|---|--|
| ➤ 4P Wealth Trust                             | ➤ Forty4 Financial                         |
| ➤ Advanced Investment Management              | ➤ Foundational Wealth Advisory             |
| ➤ Alpen Wealth Advisory Group                 | ➤ Garrard Wealth Management                |
| ➤ Analytical Capital                          | ➤ Greer Capital                            |
| ➤ Anchor Private Planning                     | ➤ Guy P. Jones, CFP®                       |
| ➤ Apex Capital Wealth Management              | ➤ High Pointe Private                      |
| ➤ APG Capital Asset Management                | ➤ Hilltop Investment Counsel               |
| ➤ Argentora Wealth Management                 | ➤ HLK Asset Management                     |
| ➤ Associated Capital Advisors                 | ➤ Howard Financial Services                |
| ➤ Atlas Investment Advisors                   | ➤ Infinity Advisory Group                  |
| ➤ Balanced Wealth Advisors                    | ➤ IntelliPlan Advisors                     |
| ➤ Barrington Financial Advisors               | ➤ Intentional Wealth Planning              |
| ➤ Bayswater Capital                           | ➤ Investment Planning Solutions            |
| ➤ Beckley, Whitener & Wetmore Wealth Advisors | ➤ Ironwood Wealth Management               |
| ➤ Blackwood Wealth Management                 | ➤ Johnson Lane Advisory Partners           |
| ➤ Bluewater Investment Strategies             | ➤ Judge Asset Management                   |
| ➤ Bogar LK Advisory Services                  | ➤ Juniper Investments & Financial Planning |
| ➤ Boulevard Wealth Partners                   | ➤ Kenetex Wealth Management                |
| ➤ BSSF Wealth                                 | ➤ Knox & Downing Advisors                  |
| ➤ Campbell HarNess Capital Wealth Management  | ➤ Kuhn Wealth Advisors                     |
| ➤ Clear Path Financial Services               | ➤ Landers Advisory                         |
| ➤ Courtney Wealth Advisors                    | ➤ LFM Wealth Management                    |
| ➤ Darwin                                      | ➤ Lone Pine Advisory Services              |
| ➤ Deer Creek Capital                          | ➤ Makkai Capital Group                     |
| ➤ Duet Wealth Management                      | ➤ MAP Strategic Wealth Advisors            |
| ➤ Enhance Wealth                              | ➤ McClellan Wealth Management              |
| ➤ Equable Portfolio Management                | ➤ McLaughlin Wealth Management             |
| ➤ Financial Analysts                          | ➤ MH Strategic Advisors                    |
| ➤ Five Points Advisory                        | ➤ Miller Financial                         |
| ➤ Fleming Investment Management               | ➤ Moore’s Wealth Advisory                  |
| ➤ Foothills Capital Management                | ➤ New Paradigm Investments                 |
|   | ➤ Olde Raleigh Financial Group             |

- Piper Wealth Management
- Platinum Wealth Advisors
- Pople Investment Management
- Private Ridge Wealth Management
- PRS Investment Advisors
- R. Meier Wealth Management
- RB Welborn Financial
- Rewey Asset Management
- Richter Wealth Advisory
- River City Wealth Management
- Roxbury Financial Advisor Group
- Samra Wealth Management
- Sentry Advisors
- Siena Private Wealth
- Smarte Investments
- SMG Financial
- Song Wealth Management
- Sonterra Wealth Management
- Sound Advice Financial
- Springer Financial Services
- St. Matthews Investors
- Sycamore Wealth Management
- Tenet Wealth Management
- Terra Stone Wealth Management
- The Wealth Tenders
- TwoTalents Capital Management
- U.S. Asset Management
- Veracity Capital Management
- VH Wealth Advisors
- Water Street Financial
- Way Capital Management
- Williams, Petyak & Barber Advisory Services
- WTIFS
- ZHU Wealth Management

Our IARs who use branded business names are noted as a member of the Advisory Services Network, LLC because they are registered with and offer advisory services through us. The term “member” does not imply any ownership interest in or control of ASN.

Our IARs may individually manage the investment assets of their clients as well as recommend or select independent third-party investment managers to manage all or a portion of client investment assets. Our IARs work with you to identify your investment goals, objectives, and risk tolerances in order to structure an investment account and an investment strategy that is consistent with your stated investment objectives.

Our IARs also provide investment consulting services that may include comprehensive financial planning or may address specific needs you identify.

### **Portfolio Management Services**

The investment accounts managed by our IARs may consist of stocks, bonds, mutual funds, exchange-traded funds (“ETFs”), options, and alternative investments such as limited partnerships and real estate investment trusts.

We may also recommend that a portion of your portfolio be allocated to a third-party manager as described below under the heading, “Third-Party Investment Advisory Services.” The services and fees of such manager will be fully described in its disclosure

brochure. Under Portfolio Management Services, the third party manager's fees will be separate and distinct from our advisory fee.

Your investment accounts and the investment strategies utilized are based upon your specific individual investment objectives, goals and risk tolerances. Our IARs may periodically adjust your account (a process referred to as "rebalancing") to help ensure that your investment account remains consistent with your objectives, goals, and risk tolerances.

Our IARs rely upon you to notify them of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). These changes may require changes in your investment account and the investment strategies employed.

Our IARs may manage your investment account on either a discretionary basis (meaning that you authorize your IAR to make specific investment decisions on your behalf) or non-discretionary basis (meaning that your IAR must obtain your specific prior approval before each transaction can be effected for your investment account).

Whether your IAR is authorized to exercise discretion with respect to your investment account is your choice. When you establish an advisory relationship with us, we will ask that you advise us in writing how you would like your IAR to handle your account.

The scope of the discretionary authority that you may grant to one of our IARs is limited to selecting specific investments for your account and deciding how to allocate your assets among those investments. Your IAR may decide if and when to buy, hold, or sell those investments. Once you have granted discretionary authority to your IAR, it is effective until you change it or revoke it in writing.

You may impose any reasonable restrictions upon the manner in which your IAR manages your investment account. For example, you may restrict the management of your account to certain types of investment products or investment strategies.

### **Wrap Fee Program**

ASN offers a wrap fee program through which we provide portfolio management services as outlined above, for one fee. The wrap fee includes our advisory fee, custodial and brokerage fees. This program is more fully described in our *Advisory Services Network, LLC Wrap Fee Program Brochure*. This brochure will be provided to clients utilizing our wrap fee program and free of charge to any client upon request.

A wrap fee program may cost you more or less than purchasing these services separately, depending on the amount of trading activity in your account, the value of services that are provided to you under this program, and other factors. Therefore, IARs may have a financial incentive to recommend the wrap fee program over other programs or services. Generally, wrap programs may result in higher overall costs to you in accounts that experience little trading activity. Please review the costs carefully with your IAR to determine whether our wrap fee program is appropriate for your circumstances.

We do not manage wrap accounts differently from how we manage non-wrap accounts.

### **Assets Under Management**

As of December 31, 2020 we managed approximately \$4.3 billion in client assets on a discretionary basis (meaning our advisory representatives made all of the investment decisions). Approximately \$90 million in client assets were managed on a non-discretionary basis (meaning our clients made the investment decisions based upon our recommendations).

### **Third Party Investment Advisory Services**

We may recommend that all or a portion of your portfolio be allocated to unaffiliated third party investment managers. We have entered into agreements with various third-party investment managers to provide investment management services for our clients. Your IAR will use the information you have provided about your investment objectives, goals, and risk tolerances, as well as other relevant information, to identify a third-party investment manager(s) whose investment strategies appear appropriate for you.

Some of the other relevant information considered in recommending a third-party investment manager include (but are not limited to):

- your preference for certain types of investments or investment strategies;
- your investment time horizon;
- the size and composition of your investment account;
- your tax considerations;
- your IAR's prior experience with and preferences for particular investment managers;
- the fees charged by the investment manager; and
- the experience and capabilities of the investment manager.

### **Financial Planning Services**

Your IAR may prepare and provide you with a comprehensive, written financial plan designed to help you achieve your financial goals and investment objectives. The preparation of such a plan requires that you provide your IAR with personal data such

as family records, employment records, budgeting, assets, liabilities, estate information, and tax information. The financial plan may address any or all of the following as you request and/or direct:

- asset protection
- tax planning
- business succession
- strategies for exercising stock options
- cash flow
- education planning
- estate planning
- risk management
- multi-generational planning
- wealth transfer
- charitable gifting
- long-term care and disability planning
- retirement planning
- insurance planning
- asset allocation comparisons

Should you choose to implement the recommendations contained in your financial plan, we encourage you to work closely with your attorney, accountant, insurance agent, and other advisers. Your IAR will assist you to the extent you choose.

Although you may choose to implement the recommendations made in your financial plan through your IAR, you are free to employ the services of any advisor or registered representative of your choice, regardless of whether or not that person is associated with ASN.

### **Investment Consulting Services**

Our IARs may offer investment consulting services that are limited to the specific areas you identify. These services are not considered financial planning services because we will not perform a comprehensive analysis of your financial position and will not prepare a written report documenting our review.

The consulting services our IARs provide may include (but are not limited to):

- Assisting you in the preparation of an investment policy statement;
- Reviewing and recommending changes to an existing investment policy statement (or similar guidelines, policies, and/or investment allocation that you are employing);
- Reviewing existing contracts you have with service providers such as managers and consultants, and making recommendations for changes;
- Assisting you in renegotiating the fees you pay to service providers and/or assisting you in conducting a search for new service providers;
- Analyzing the performance of your current investment manager;



- Advising you regarding the manner in which your investment account is being managed and, at your request, assisting you in searching for a new investment manager;
- Advising you on the purchase and sale of particular individual investments;
- Monitoring your transaction costs; and
- Monitoring compliance by your investment managers with your investment policy statement.

As noted above, regardless of the services you choose, we strongly encourage you to notify your IAR promptly if there are any changes in your personal circumstances, financial situation, investment objectives, or risk tolerances.

### **Retirement Plan Consulting Services**

Our IARs may offer retirement plan consulting services to employer sponsored qualified retirement plans. Depending upon the services the client selects pursuant to the Retirement Plan Consulting Agreement, the IAR may be engaged to perform ERISA 3(21)(A)(ii) fiduciary services and/or non-ERISA fiduciary services. The retirement plan consulting services our IARs provide may include (but are not limited to):

- Plan Participant Investment Education and Communication services;
- Investment Selection Services;
- Investment Monitoring and Review Services;
- Establishment or Revision of the Plan's Investment Policy Statement; and
- Allocate to and Rebalance Model Asset Allocation Portfolios.

### **Retirement Plan Rollovers**

A client leaving an employer typically has four (4) options for their retirement plan:

- Leave the money in their form employer's plan, if permitted;
- Rollover the assets to their new employer's plan, if one is available and rollovers are permitted;
- Rollover to an Individual Retirement Account ("IRA"); or
- Cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

An IAR may recommend that a client or prospective client roll over plan assets to an IRA managed by the IAR. As a result, the IAR may earn an asset-based fee. IARs have an incentive to recommend a rollover that the IAR will manage based on the compensation received, which is mitigated by the fiduciary duty to act in a client's best interest. No client is under any obligation to roll over plan assets to an IRA managed

by the IAR.

There are various factors that the IAR may consider before recommending a rollover, including, but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services of the plan's investment professionals versus those of the IAR, iv) employer stock tax consequences, if any.

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## Item 5 Fees and Compensation

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### *Fees for Portfolio Management Services*

We offer our portfolio management services on a fee-only basis. All fees are negotiable at our sole discretion. Our fees may be charged based on a tiered schedule or a floating flat schedule. In a tiered schedule, a different rate is applied to different portions of your assets, based on established breakpoints. If a floating flat schedule is applied, the same rate is applied to all assets, based on the total account assets. Please see the examples following each schedule.

Tiered Schedule. Our maximum annual fees for the direct management of your account under a Tiered Schedule are as follows:

Assets Under Management	Maximum Annual Fee*
First \$500,000	2.25%
Next \$1,500,000 (up to \$2,000,000)	1.75%
Next \$3,000,000 (up to \$5,000,000)	1.50%
Assets Over \$5 million	1.25%
*All fees are negotiable and defined in your Investment Advisory Agreement.	

*Example Tiered Fee Calculation based on \$2,015,000 assets:*

$$\text{Annual Fee} = (\$500,000 \times 2.25\%) + (\$1,500,000 \times 1.75\%) + (15,000 \times 1.50\%)$$

Floating Flat Rate Schedule. Our maximum fees for the direct management of your account under a Floating Flat Rate Schedule are as follows:

Assets Under Management	Maximum Annual Fee*
0 - \$500,000	2.25%
\$500,001 - \$2,000,000	1.75%
\$2,000,0001 to \$5,000,000	1.50%
Over \$5 million	1.25%
*All fees are negotiable and defined in your Investment Advisory Agreement.	

*Example Floating Flat Fee Calculation based on \$2,015,000 assets:*  
Annual Fee = \$2,000,015 x 1.50%

We require that you authorize us in writing to direct your custodian to pay our investment advisory fees directly to us by charging your account. This authorization is set forth in the investment advisory agreement you will execute to retain our services.

Our fees may be higher or lower than the fees charged by other advisors for similar services.

Our fee is calculated based upon the net market value of the investment assets in your account. One-fourth of our fee is billed each calendar quarter based on the value of your account on the last day of that quarter.

Broker-dealers and other financial institutions that hold investment accounts for advisory clients are referred to as custodians. Your custodian will determine the values of the assets in your account.

Your custodian will provide you with statements that show the amount of the advisory fees paid directly to us. Your custodian does not verify the accuracy of our fee calculations so please review your statements carefully.

### **Fees for Third Party Investment Management Services**

The advisory services provided by third-party investment managers and the fees they charge for those services are detailed in their respective disclosure brochures. Your IAR will provide you with a copy of the brochure for each investment manager recommended to you. The fees paid to third-party investment managers are in addition to the fees paid to ASN for the advisory services provided by your IAR and will appear separately on your custodial statement. Under a wrap fee arrangement, the total fees specified in your investment advisory agreement will include the sum of the fees payable to the third party asset manager and those paid to ASN. However, the respective

amounts will show separately on your custodial statement.

### **Fees for Financial Planning Services**

Fees for financial planning services are charged on an hourly or fixed-fee basis. On-going financial planning services may be charged based as a percentage of the value of your investment account. All fees are negotiable. The manner in which you are charged and the amount you will be charged are described in your financial planning agreement.

Generally, the amount of our fees will depend upon the complexity of the services you need. Fixed fees may range from \$1,000 to \$40,000 per plan and hourly fees may range from \$150 - \$400 per hour. Your IAR will provide you with an estimate of the cost of the services to be provided to you prior to beginning the financial planning process.

Financial planning fees are billed to the client either monthly, quarterly, or upon completion of the plan. The financial planning agreement will set forth the terms and conditions of the engagement and will describe the scope of services to be provided upon, the agreed upon, negotiable, estimated fee to be paid.

The financial planning agreement may be terminated upon written notice by either party. Unearned fees paid in advance will be refunded pro rata, based on the work completed.

### **Fees for Investment Consulting Services**

The amount of the fee for investment consulting services will be negotiated between you and your IAR and will depend on the scope and complexity of the services to be provided, and the estimated amount of time it will take to provide those services. Fees may be charged on a fixed or hourly basis. The services and the fees for those services will be described in the investment consulting agreement.

Generally, the amount of our fees will depend upon the complexity of the services you need. Fixed fees may range from \$1,000 to \$40,000 per service and hourly fees may range from \$150 - \$400 per hour. Your IAR will provide you with an estimate of the cost of the services to be provided to you prior to beginning the investment consulting process.

Monthly Subscription Fee. The firm offers a monthly subscription fee-based advice service that includes advice from the IAR, helping clients address anything from routine questions to more complex life-changing events, and access to financial technology for client account aggregation, spending and budgeting, and tracking progress toward financial goals. The monthly subscription fee will range from \$35 to \$75 per month. Subscription fees are billed in arrears and paid via a third-party payment method.

The investment consulting agreement may be terminated upon written notice by either party. Unearned fees paid in advance will be refunded pro rata, based on the work completed.

Whether you implement any investment recommendations resulting from the financial planning or investment consulting services provided by your IAR is entirely at your discretion. If you implement those recommendations, you may do so through the financial professional of your choice. If you implement those recommendations through your IAR, we will receive compensation for the services provided in conjunction with that implementation.

### **Fees for Retirement Plan Consulting Services**

We do not have a standard fee schedule for retirement plan consulting services, however the maximum annual fee that may be charged for asset-based fees is 1.50%. The amount of the fee for retirement plan consulting services will be negotiated between you and your IAR and will depend on the scope and complexity of the services to be provided, and the estimated amount of time it will take to provide those services. Fees may be charged on fixed fee or an asset-based basis. Fixed fees may either be billed upon completion or with a partial up-front payment. Asset-based retirement plan consulting fees are billed quarterly in arrears. The services and the fees for those services will be described in the Retirement Plan Consulting Services Agreement.

### **Prepayment of Fees**

We charge our investment management fees in advance, meaning that we charge our fees before we have provided our services to you. Our initial fee will be calculated on the day your investment assets are received by your custodian. The amount of the fee will be calculated based on the number of days remaining in that quarter.

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

### **General Fee Information**

In addition to our fee, you may be required to pay other charges such as:

- custodial fees;
- brokerage commissions;
- transaction fees;

- internal fees and expenses charged by mutual funds, ETFs and variable annuities;
- fees charged by third party money managers;
- maintenance and termination fees for IRAs, certain retirement and qualified accounts; and,
- other fees and taxes on brokerage accounts and securities transactions.

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

Fees paid to us are also separate and distinct from fees and expenses charged by mutual funds, ETFs, and variable annuity issuers charge internal fees and expenses for their products. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You should read these documents and review all fees charged by funds, issuers and ASN to fully understand the total amount of fees that you may incur before making or authorizing any investments. Your IAR will be available to answer any questions you have about fees and expenses.

### **Other Compensation**

Our IARs may also be registered representatives of broker-dealers that are members of Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Those broker-dealers are not affiliated with us.

If you choose to effect securities transactions through your IAR in his/her capacity as a registered representative of a broker-dealer, your IAR may receive commissions and other compensation from those transactions. For example, your IAR may receive 12b-1 fees, which are fees paid by mutual fund companies for the on-going marketing of their investment products.

We do not permit our IARs to manage client investment accounts through the broker-dealers with which they are associated. We do, however, permit them to implement the recommendations from a financial plan through such arrangements. Thus, your IAR could receive both a fee for financial planning services and commissions from the transactions effected to implement the recommendations from the financial plan.

Our IARs may also be licensed to sell insurance products through various insurance companies that are unaffiliated with us. As such, they may receive commissions from any insurance products you purchase through them.

Our IARs may also be registered to recommend or offer futures and commodities products through Introducing Brokers registered with the Commodity Futures Trading Commission (“CTFC”)—and the National Futures Association (“NFA”). Those

Introducing Brokers are not affiliated with us. ASN does not offer advice related to commodities and futures products.

If you choose to effect commodities or futures transactions through your IAR in his/her capacity as an associated person of an Introducing Broker, your IAR may receive commissions or other compensation from those transactions.

The arrangements described above may present a conflict of interest because they could create an incentive for your IAR to make recommendations based upon the amount of compensation he or she could receive rather than based upon your particular needs. We are nonetheless committed to acting in your best interests at all times.

Your IAR will explain to you the specific costs associated with any investments recommended to you.

You are under no obligation to purchase investment or insurance products or to implement any financial plan recommendations through your IAR. You may purchase those products and implement financial plan recommendations through the investment or insurance professional of your choice.

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## **Item 6 Performance-Based Fees**

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Performance-based fees are designed to give a portion of the return of an investment to the investment adviser as a reward for positive performance. The fee is generally based on a percentage of the capital gains on and/or appreciation of the client account assets. We do not charge performance-based fees on any of our client accounts.

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## **Item 7 Types of Clients**

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We provide advisory services primarily to individuals and families, including their trusts, estates, and retirement accounts. We also provide services to corporations or other entities.

As a condition for starting and maintaining an advisory relationship with us, we generally require that you have a minimum investment account of \$25,000. We, at our sole discretion, may allow you to engage our services if you have a smaller account. Some of the factors we consider in making this determination include pre-existing client relationships we may have with you or your family members, any additional assets you are anticipated to receive in the future, your account composition, and your anticipated future earning capacity.



At our discretion, we may consider the accounts of your family members in determining whether your account meets our minimum account size requirement.

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

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Our IARs may use a wide range of methods of analysis to determine an appropriate investment strategy for your portfolio. The analysis performed may include the following:

**Fundamental Analysis** – This type of analysis concentrates on earnings, a company's financial statements, and the quality of a company's management. These quantitative factors are then used to attempt to determine the financial strength of the company.

**Technical Analysis** - This type of analysis utilizes statistics, such as past price and trading volume, to determine trends in security prices. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future performance.

**Asset Allocation** - Asset Allocation is the process of selecting a mix of asset classes that are consistent with the client's investment goals and risk tolerance.

**Long-Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long time period, generally greater than one year.

**Short-Term Purchases** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, do take advantage of the securities' short-term price fluctuations.

**Third Party Investment Manager Analysis** - IARs analyze individual investment managers based upon their investment strategies, experience, performance track record, reputations, and fee arrangements. IARs may monitor the manager's underlying holdings, strategies and concentrations.

The main sources of information used to formulate investment advice and/or manage assets includes financial publications, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases and timing services.



Although we manage your account in a manner we believe is consistent with your specific investment objectives and risk tolerances, there can be no guarantee that our efforts will be successful. General economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance.

You should be prepared to bear the risk of loss. All investments are subject to loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

The use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you. When you short sell, your losses can be infinite.

You should also be aware that transactions in the account (including account reallocations and rebalancing) may trigger a taxable event for you (unless your account is a qualified retirement account).

You may place reasonable restrictions on the strategies to be employed by your IAR in your account (such as, for example, the types of investments to be held in your account).

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## **Item 9 Disciplinary Information**

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

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

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Our Managing Members, Thomas C. Prescott and David E. Paulukaitis, also own Mainstay Capital Markets Consultants, Inc. (“Mainstay”). Mainstay provides compliance consulting services to broker-dealers and investment advisers. The activities of Mainstay are wholly independent from our activities.

As previously noted, certain of our IARs are registered representatives of broker-dealers unaffiliated with us. Certain of our IAR’s are licensed separately as insurance agents to sell insurance products through various insurance companies that are unaffiliated with

us. Certain IARs are separately associated with a commodities and futures Introducing Broker that is unaffiliated with us. You are under no obligation to utilize the services of your IAR in the purchase or sales of securities, insurance or futures products through his/her association with a broker-dealer, insurance company or Introducing Broker. However, any transactions you may effect through your IAR in conjunction in their separate capacities as registered representatives and or insurance agents may result in the receipt of commissions and other compensation in addition to any advisory fees that we charge. We do not receive any portion of the commissions or other compensation resulting from these activities.

Certain IARs are also associated with another Registered Investment Adviser and are thus considered dually registered. These dually registered persons do not provide investment advice in their capacity with the other Registered Investment Adviser. ASN is not affiliated with any other Registered Investment Adviser through common ownership or control and does not share clients with other Registered Investment Advisers. We do not receive any portion of the fees or other compensation resulting from this activity.

Certain IARs also practice as attorneys, accountants, and tax preparers. You are under no obligation to utilize services of your IAR for these services; however any services you may utilize through your IAR in conjunction with those separate activities may result in compensation additional to any advisory fees that we charge. We do not receive any portion of the fees that are paid to receive these services.

These arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation your advisory representative can receive rather than based upon your needs. **These activities are separate and apart from the advisory activities of ASN. And because these activities do not involve ASN, we do not monitor, oversee or supervise them in any way.**

Information about your IAR's financial industry activities and affiliations is disclosed in the IAR's Supplement which you will receive with this brochure. Additional information about your IAR is also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Recommendation of Other Advisers**

Your IAR may recommend that you use an unaffiliated third party asset manager ("TPAM") based upon your needs and suitability. We share in the compensation paid to the third party asset manager for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial

incentive to recommend the services of the TPAM. Compensation paid to us by third party asset managers may vary, and therefore there may be a conflict of interest in recommending one third party asset manager over another. The fees you pay are the same as you would pay had you obtained the services directly from the TPAM. The discretionary authority you may grant to your IAR will include the discretion to hire and fire the third party asset managers.

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

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We have adopted a *Code of Ethics* (“*Code*”) to address the standard of business conduct required of our IARs and employees. An Investment Adviser is considered a fiduciary. As a fiduciary, it is our responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the core underlying principal for our Code of Ethics.

The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our IARs and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an IAR’s or employee’s position of trust and responsibility;
- that IARs may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

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

We do not buy or sell securities for our own account that we also recommend to you. Our IARs and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account.

The personal securities transactions of our IARs and employees may raise potential conflicts of interest when they trade in a security that is owned by you or is being considered for purchase or sale for your account.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- ✦ require our IARs and employees to act in your best interest,
- ✦ prohibit favoring one client over another, and
- ✦ provide for the review of transactions to discover and correct any trade in an IAR's or employee's account that is effected in a manner inconsistent with our *Code*.

Our IARs and employees must follow our procedures when purchasing or selling the same securities purchased or sold for your account.

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## Item 12 Brokerage Practices

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We will generally recommend that the custodian and broker-dealer for your account be either Fidelity Brokerage Services, LLC ("Fidelity"), Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), Pershing LLC ("Pershing") or T.D. Ameritrade, Inc. ("TD Ameritrade") (together "custodians") although we may agree to employ the services of one or more other custodians.

We are independently owned and operated and not affiliated with the custodian we recommend. Our use of a particular custodian is, however, a beneficial business arrangement for us and for the custodian. Information regarding the benefits of this relationship is described below.

Our recommendation of a specific custodian is based in part on our existing relationships, the custodian's financial strength, reputation, breadth of investment products, and, the cost and quality of custody and brokerage services provided to you and our other clients.

The determining factor in the selection of a particular custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for investment transactions for your account.

In addition to brokerage and custody services, services customarily made available to advisers include access to investments generally available to institutional investors; research; software; and, educational opportunities. Custodians may also make available or arrange for these types of services to be provided to us by independent third parties.

Custodians may discount or waive the fees they would otherwise charge for some of the services they make available to us. They may also pay all or a part of the fees of a third party providing these services to us. Custodians may also reimburse or otherwise pay for client events.

We receive economic benefits as a result of our relationship with the custodians because we do not have to produce or purchase the products and services listed above. These services are not contingent upon us committing any specific amount of business to the custodians in trading commissions. We do not enter into soft-dollar arrangements with custodians or brokers. We do not receive client referrals from the custodians or broker dealers we recommend.

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

The custodians do not charge separately for holding our client accounts but may be compensated by you through other transaction-related fees associated with the securities transactions they execute for your account.

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

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

Third party asset managers may require the use of certain custodians. Please refer to the Brokerage Practices sections of their respective brochures for more information. We may also receive economic and non-economic benefit from third-party asset managers we utilize in the form of the support products and services it makes available to use, such as research, technology or administrative support. The availability of these

products and services are not based upon us giving particular investment advice, such as buying particular securities for our clients. The total advisory fee the client pays will not be higher because we accept these benefits.

### **Directed Brokerage**

You may direct us in writing to use a particular custodian to execute some or all of the transactions for your account. If you do so, you may be responsible for negotiating the terms and arrangements for the account with that custodian.

We may not be able to negotiate commissions, obtain volume discounts, or best execution with custodians with whom we do not have a pre-existing relationship. A difference in transaction fees and expenses may also exist between those charged to clients who direct us to use a particular custodian and other clients who do not.

### **Bunched Trading**

We may engage in “bunched trading,” which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed.

Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients.

Transactions for non-discretionary client accounts are generally not bunched with transactions for discretionary client accounts. Transactions for the accounts of our IARs and employees may be included in bunched trades. They will receive the same average price and pay the same commissions and other transaction costs, as clients.

Transactions for the accounts of our IARs or employees will not be favored over transactions for client accounts.

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

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## Item 13 Review of Accounts

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Our IARs review your account on an on-going basis to determine whether your investments and investment strategies are performing in a manner consistent with your stated objectives. Your IAR will contact you at least annually (or more often as agreed upon with you) to review your account with you and to update your financial status, goals, objectives, and risk tolerances. These reviews also consider any investment restrictions you have requested and how your investments meet your investment time horizons, liquidity needs, tax considerations and other circumstances unique to you. Changes in your investments and your investment strategies will be made or recommended by your IAR as they are deemed appropriate.

As previously noted, we strongly encourage you to advise your IAR of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

In addition to the reviews done by your IAR, ASN staff monitor client accounts on an on-going basis to help ensure that the investments and transactions in those accounts are consistent with the information you have provided.

### **Third Party Investment Management Services**

Our IARs will regularly review the reports provided to you by any third-party investment managers that are managing assets for you. Your IAR will contact you at least annually (or more often as agreed upon with you) to review your financial situation, investment goals and objectives and risk tolerances, and the performance of the third-party investment manager to help monitor that your account is being managed in a manner consistent with your objectives.

Again, we strongly encourage you to advise your IAR of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to help ensure that your investments and investment strategies are appropriate for you.

You will receive statements on at least a quarterly basis from the custodian holding your account. These statements will identify your current investment holdings, the cost of each of those investments, and their current market values.



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## Item 14 Client Referrals and Other Compensation

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We may enter into written agreements with certain unaffiliated investment advisers and other professionals (such as CPAs, attorneys, etc.) to compensate them for referring clients to us. We will pay these individuals (referred to as “solicitors”) a percentage of the advisory fee that you pay us if it is determined that you have become a client of ours as a result of their direct or indirect efforts.

The payments we make to a solicitor will not result in an increase in the amount of the advisory fee that the referred client will pay.

Our solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the services provided;
- the fees to be paid;
- disclosure of solicitor arrangements to clients; and
- client consents, as required.

We receive certain economic benefits as a result of our participation in custodians’ institutional brokerage programs. Those benefits are described in detail in the preceding section entitled “Item 12 Brokerage Practices.” The availability of the custodians’ products and services is based solely on our participation in their programs, and not on the provision of any particular investment advice.

As noted above in Items 5 and 10, we receive compensation by referring you to third party asset managers. This creates a conflict of interest because we have an incentive to recommend those third party asset managers based on the compensation we receive rather than what’s in your best interest. We address this conflict by disclosing it to you. Additionally, as fiduciaries we place your interests above our own in determining whether a referral to a third party asset manager is appropriate for you. You are under no obligation to use the services of a third party asset manager we recommend.

ASN occasionally engages unaffiliated professional recruiters to introduce ASN to prospective IARs. In the event an introduced IAR elects to join ASN, ASN will pay a referral fee to the recruiter based upon the amount of assets managed by the IAR. Payments made by ASN to recruiters will not result in any increase in the amount of the advisory fee charged to any client of the introduced IAR.



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## **Item 15 Custody**

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Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds or securities. Under government regulations, we are deemed to have custody of your assets when you authorize us to instruct the account custodian to deduct our advisory fees directly from your account. Additionally, ASN will be deemed to have custody when ASN executes authorized transactions (such as wire transfers, standing authority to move money to a third party account, etc.) on behalf of clients. To the extent ASN is deemed to have custody of client funds and securities within the meaning of Rule 206(4)-2 under the Investment Advisers Act of 1940, ASN will comply with the requirements of such rule.

In order for the client to move money from their account to a third party including, but not limited to standing authority to move money, clients must provide instructions to the qualified custodian in writing. These written instructions will be required to include such details as the name of the third party, the address or account number of the third party, the amount of the money to be moved and the client signature. Clients are able to terminate or change these instructions with the custodian at any time. Account statements are delivered directly from the qualified custodian to each client at least quarterly. The statements will show any and all money movement in the account.

Your assets are maintained with a qualified custodian. You will receive statements from your account custodian on at least a quarterly basis. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. Clients are also asked to promptly notify ASN if the custodian fails to provide statements on each account held.

We also encourage you to contact your IAR or our Chief Compliance Officer should you have any questions or concerns regarding your account.

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## **Item 16 Investment Discretion**

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As previously noted in the section entitled “Advisory Business”, we offer our advisory services on a discretionary basis (meaning that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your account) and on a non-discretionary basis (meaning that we need advance approval from you to determine the type and amount of securities to be bought and sold for each transaction in your accounts).

We may only exercise discretion if you have provided that authority to us in writing. This authorization is typically included in the investment advisory agreement you enter into with us.

The discretionary authority you grant to us does not provide us the ability to choose the custodian through whom transactions for your account will be executed or to negotiate brokerage fees or expenses. Additionally, our discretionary authority does not provide us the ability to withdraw funds from your account (other than to withdraw our advisory fees which may only be done with your prior written authorization).

We will exercise discretion in a manner consistent with the stated investment objectives for your account.

Typically, under third-party investment management arrangements the third-party investment manager exercises discretion in the management of your account. All securities transactions are selected and executed by that manager. We do not manage or obtain discretionary authority over the assets in those accounts. You may, however, grant us the discretionary authority to hire and fire such third-party managers on your behalf.

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## **Item 17 Voting Client Securities**

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ASN and its IARs do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits.

You will receive information related to proxies directly from your account custodian. We will forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

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## **Item 18 Financial Information**

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We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We have not been the subject of any bankruptcy proceedings.