

Form ADV Part 2A: *Firm Brochure*

Item 1 - Cover Page

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Date of Brochure: March 31, 2021

This brochure provides information about the qualifications and business practices of KingsMark Private Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (229) 439-2348 or (800) 999-3094. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about KingsMark Private Financial Advisors, LLC is also available on the Internet at www.adviserinfo.sec.gov. You can view information on this website by searching for the firm's name or by using its CRD number: 146655.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. We may, at any time, update this Brochure and send a copy to you with a summary of material changes, or send you only a summary of material changes that includes an offer to send you a copy of the full Brochure either by electronic means (email) or in hard copy form. You may request a copy of our current brochure at any time by mailing a request to our address shown on the cover page.

This version of our Brochure dated March 31, 2021 is an annual updating amendment. We have not had any material changes since our last interim update dated June 29, 2020.

The following material changes have been made since our last annual update on March 30, 2020:

1. KingsMark has revised Item 5 to disclose the conflict of interest involved in recommending that a client increase the assets in their account to be managed by us, as well as how we address that conflict of interest. Please see Item 5 for more information.

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Item 4 – Advisory Business

Ownership

KingsMark Private Financial Advisors, LLC (“KingsMark,” “Advisor,” “we” or “us”) is an investment adviser registered with the U.S. Securities and Exchange Commission since March 12, 2008. KingsMark is a limited liability company formed under the laws of the State of Georgia. Thomas E. Sanders and Rebecca A. Anderson are the owners of KingsMark.

General Description of Primary Advisory Services

KingsMark offers personalized investment advisory services including financial plans, consultations and asset management. The following are brief descriptions of KingsMark’s primary services. A detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients can review the services and description of fees more thoroughly.

Financial Planning Services (Plans and Consultations)

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

KingsMark provides financial planning services in the form of full and modular (segmented) financial plans. These services do not involve actively managing client accounts. Instead, full planning services and consultations focus on a client’s overall financial situation. Modular planning services and consultations (both one-time and on-going) focus on specific areas of client concern.

KingsMark provides financial planning services by offering analyses and recommendations in areas including, but not limited to:

- Personal planning (family records, budgets, personal liability, etc.)
- Cash flow and management
- Retirement planning
- Business planning
- Estate planning
- Education planning
- Tax planning
- Risk management
- Insurance analysis
- Investment analysis
- Benefit plans
- Disability and long-term care
- Stock option analysis

KingsMark’s services do not include legal or tax advice except for tax considerations incidental to investment recommendations. Tax advice may be provided independently through one or more businesses operated by our investment adviser representatives. At present, only Britt C. Bazemore, a licensed certified public accountant, offers such services through his own company, Broadview Advisory Group, LLC. KingsMark’s investment adviser representatives (“representatives”) meet with clients to gather information and documentation needed to perform an analysis and review of a client’s situation as well as his or her objectives and goals. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet the client’s needs. KingsMark and its representatives rely on the information provided by clients. Therefore, it is very important that the information provided by clients is complete and accurate. KingsMark and its representatives are not responsible for verifying the information supplied by clients. Clients are also urged to work closely with their attorney, accountant or other professionals regarding their financial and personal situation.

After completing a review and analysis of the information and documents received, the representatives develop their analyses and recommendations and present either a full or modular (segmented) written

financial plan to the client. A full plan focuses on a client's overall financial situation and covers several of the areas previously noted, as needed by client's specific situation. A modular (segmented) plan focuses only on one or more specific area(s) of client concern, and clients should be aware that other important issues may not be taken into consideration when KingsMark's representatives develop their analyses and recommendations.

Investment Management Services

KingsMark provides investment management services by providing clients with continuous and on-going supervision over their accounts. This means that KingsMark continuously monitors a client's account and makes trades in that account when necessary or desirable in order to meet the client's investment objectives.

KingsMark provides investment management services, defined as giving regular investment advice and/or making investments for the client based on the individual needs, goals and objectives of the client. KingsMark offers a customized and individualized investment management program providing clients advice regarding various asset classes (including equity and fixed income securities), ongoing assistance with evaluating and selecting investments, adjusting and rebalancing portfolios. In some instances, KingsMark may serve as a sub-advisor or co-advisor when working with investment management programs offered by other registered investment adviser firms.

KingsMark assists the client in establishing one or more investment account(s) with a qualified custodian. Certain programs offered by KingsMark may require that a client use a particular custodian to maintain the account. In addition, KingsMark will recommend particular broker/dealers and custodians based on currently established relationships. While clients are always free to choose any broker/dealer or custodian they want to maintain their account(s), KingsMark only allows clients to direct it to use a particular broker/dealer or custodian in limited circumstances. It is KingsMark's discretion whether or not it will manage an account that is not maintained at one of the custodians recommended by KingsMark. The qualified custodian maintains custody of all client funds and securities. KingsMark does not act as custodian and does not have direct access to client funds and securities.

KingsMark provides investment management services on either a discretionary or non-discretionary basis. On a discretionary basis, KingsMark may make all decisions to buy, sell or hold securities, cash or other investments in the managed account in KingsMark's sole discretion without consulting with the client before making any transactions. Clients must provide KingsMark with written authorization to exercise this discretionary authority, and they can place reasonable restrictions and limitations on the discretionary authority. If asset management services are provided on a non-discretionary basis, this means that KingsMark always contacts the client before implementing any transactions in an account. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority. KingsMark provides investment management services, as described above, through several different custodians. At present, these include Charles Schwab & Co., Inc., TD Ameritrade, Inc., Wells Fargo, and Wilmington Trust Company, American Funds, Ameritas among others. See **Item 12, Brokerage Practices**, for additional information.

Retirement Plan Services

We offer retirement plan consulting services to retirement plan sponsors. We also offer consulting and investment management services to individual participants in retirement plans. For a corporate sponsor of a retirement plan, KingsMark's retirement plan services may include, but are not limited to, the following services:

Fiduciary Consulting Services

- Investment Policy Statement Preparation. KingsMark may help clients develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the plan. Clients have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.

- Non-Discretionary Investment Advice. KingsMark may provide clients with general, non-discretionary investment advice regarding assets classes and investment options, consistent with the plan's investment policy statement.
- Investment Selection Services. KingsMark may provide clients with recommendations of investment options consistent with ERISA Section 404(c). Clients have the ultimate responsibility for compliance with Section 404(c).
- Investment Due Diligence Review. KingsMark may provide clients with periodic due diligence reviews of the plan's reports, investment options and recommendations.
- Investment Monitoring. KingsMark may assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement. KingsMark makes recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. KingsMark may provide clients with non-discretionary investment advice to assist with developing qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the plan or who otherwise fail to make an investment election. Clients retain the sole responsibility to provide all notices to participants required under ERISA Section 404(c)(5).
- Individualized Participant Advice. Upon request, KingsMark may provide one-on-one advice to plan participants regarding their individual situations.

KingsMark acknowledges that in performing the fiduciary consulting services listed above it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of the *Employee Retirement Income Security Act of 1974* ("ERISA") for purposes of providing non-discretionary investment advice only. KingsMark acts in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause KingsMark to be a fiduciary as a matter of law. However, in providing the fiduciary consulting services, KingsMark (a) has no responsibility and does not (i) exercise any discretionary authority or discretionary control respecting management of the client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of the client's retirement plan or (iii) have any discretionary authority or discretionary responsibility in the administration of the client's retirement plan or the interpretation of the client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets and (c) is not the "administrator" of the client's retirement plan as defined in ERISA.

Non-Fiduciary Services

- Participant Education. KingsMark may provide education services to plan participants about general investment principles and the investment alternatives available under the plan. KingsMark's assistance in participant investment education is consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations do not take into account the individual circumstances of each participant and do not refer to the appropriateness of any specific investment alternatives or options for the participants. Individual recommendations are not provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. KingsMark may assist clients with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees. These meetings do not include recommendations with respect to any specific investment alternatives or options available to participants.
- Qualified Plan Development. KingsMark may assist clients with establishing a qualified plan by working with clients and a selected third party administrator. If clients have not already selected a third party administrator, KingsMark assists clients with reviewing and selecting a third party administrator for the plan. The client retains final decision-making authority over the selection of the third party administrator.

- Due Diligence Review. KingsMark may provide clients with periodic due diligence reviews of the plan's fees and expenses and the plan's service providers. The client retains final decision-making authority over the hiring and firing of the plan's service providers.

Although an investment adviser is considered a fiduciary under the *Investment Advisers Act of 1940* and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary are not considered fiduciary services for the purposes of ERISA since KingsMark is not acting as a fiduciary to the plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact services provided to clients are listed and detailed in the Qualified Retirement Plan Agreement.

All recommendations of investment options and portfolios are submitted to the client for ultimate approval or rejection. Therefore, it is always the client's responsibility to accept or reject KingsMark's investment recommendations and, if accepted, to then physically make changes to the plan itself.

In the event a client contracts with KingsMark for one-on-one consulting services with plan participants, those services are consultative in nature and do not involve KingsMark implementing recommendations in individual participant accounts. It is the responsibility of each participant to implement changes in the participant's individual accounts. We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

KingsMark may recommend that a client or prospective client roll over their retirement plan assets into an account to be managed by KingsMark. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by KingsMark, such a recommendation creates a conflict of interest as we will earn a new (or increase our current) advisory fee as a result of the rollover. We address this conflict of interest by reviewing any such recommendation to ensure it is in the best interest of the client. No client is under any obligation to roll over retirement plan assets to an account managed by us.

Retirement plan consulting services are not investment management services, and KingsMark does not serve as administrator or trustee of the plan. KingsMark does not act as custodian for any client account or have access to client funds or securities (with the exception of some accounts having written authorization from the client to deduct advisory fees). In addition, KingsMark does not implement any transactions in a retirement plan or participant's account. For retirement plan consulting services, the retirement plan or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

KingsMark will disclose to client, to the extent required by ERISA Regulation Section 2550.408b-2(c), any change to the information that KingsMark is required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which KingsMark is informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond KingsMark's control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), KingsMark will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or plan administrator (unless such disclosure is precluded due to extraordinary circumstances beyond KingsMark's control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If KingsMark makes an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), KingsMark will disclose to the client the correct information as soon as practicable, but no later than thirty (30) days from the date on which KingsMark learns of such error or omission.

Types of Investments

KingsMark provides advice on the following types of investments:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Interests in partnerships involving real estate and involving oil and gas interests
- Covered call options
- Non-covered call options
- Put options

We reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives whether or not listed here. Please refer to **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

Individual Needs of Clients

KingsMark's services are always provided based on the specific needs of the individual client. Clients are given the ability to impose reasonable restrictions on their accounts, including specific investment selections and sectors. However, KingsMark will not enter into an investment adviser relationship with a client whose investment objectives may be considered incompatible with KingsMark's investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Wrap-Fee Program versus Portfolio Management Program

In traditional management programs, advisory services are provided for a fee and transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services and transaction services are provided for one fee. KingsMark does not act as a portfolio manager of, participate in, or sponsor any wrap fee programs.

Client Assets Managed by Advisor

The amount of client assets managed or advised by KingsMark totaled \$240,116,768 as of December 31, 2018. As of that date, KingsMark had \$207,549,541 assets under management managed on a discretionary basis. In addition, KingsMark has assets under advisement totaling \$32,567,227.

Item 5 – Fees and Compensation

In addition to the information provided in **Item 4, Advisory Business**, this section provides details regarding KingsMark's services along with descriptions of each service's fees and compensation arrangements.

Financial Planning Services

Full financial plans are usually billed as a fixed fee, although clients can request an hourly rate instead. Modular (segmented) plans are usually billed at an hourly rate, but the client can also request a fixed fee rate instead. The maximum fee usually does not exceed \$10,000. There is a minimum fee of \$250 for a financial plan charged as a fixed fee. Hourly fees are generally billed in 5-minute increments at a rate up to \$300 per hour. For plans billed at an hourly rate, KingsMark's representatives provide an estimate of the time needed to complete the requested plan. If more time is required than the original estimate, the representatives obtain permission from the client before proceeding with additional services. Clients are

charged the actual time expended on a plan when billed at an hourly rate. All fees are due after presentation of a written plan to client and within 30 days of the client receiving KingsMark's billing statement.

Both fixed and hourly fees are negotiable based on the complexity of the client's situation, the actual services requested, the representative providing the services and KingsMark's relationship with the client (e.g., existing or new client, other advisory services currently or to be provided).

Clients contracting for either a full or modular (segmented) flat fee plan receive on-going financial planning services at no additional charge for a one-year period from the date the plan is presented. During that time, clients can call or visit with KingsMark's representatives as needed about any topic of concern as long as it was included in the original plan prepared. The on-going services also include a review and update of the original plan as prepared. If clients wish a review and update of the plan after the one-year period is done, they must sign a new client agreement and pay additional fees.

Either party can terminate financial planning services at any time by providing written notice to the other party. Termination is effective upon either party receiving that notice. If services are terminated within five business days of executing the client agreement, services are terminated without penalty. If terminated after five business days but before presentation of the plan, clients are responsible for the time and effort expended by KingsMark prior to receipt of the termination notice. KingsMark provides an invoice to client detailing the services provided, fees earned and fees due from client. If services are terminated after the plan is presented, there is no refund of fees previously paid since on-going services are being provided at no additional charge.

Consultation Services

Clients can also request advice on one or more specific areas of concern, and these consultations (or specifically requested project) can be a one-time event or involve several meetings. One-time consultations are usually billed at an hourly rate while extended consultations or projects are usually billed as a fixed fee. However, clients can request either hourly or fixed fee billing. Hourly rates will generally not exceed \$300 per hour while fixed fees generally do not exceed \$10,000. Both fixed and hourly fees are negotiable based on the complexity of client's situation, the actual services requested, the representative providing the services and KingsMark's relationship with client (e.g., existing or new client, other advisory services currently or to be provided). For extended consultations or projects billed at an hourly rate, KingsMark's representatives will provide an estimate of the time needed to complete the requested plan. If more time is required than the original estimate, the representatives obtain permission from the client before proceeding with additional services. Clients are charged for the actual time expended on the consultation or project when billed at an hourly rate. Fees are billed upon completion of the consultation or, for extended consultations and projects, at the end of each quarter. Fees are due within 30 days of the client receiving KingsMark's billing statement.

Services terminate upon completion of the investment consultations contracted for. However, either party can terminate services at any time by providing written notice to the other party. If services are terminated before completion, clients are responsible for the time and effort expended by KingsMark prior to receipt of the notice of termination. KingsMark provides an invoice to client detailing the services provided, fees earned and fees due from client.

Implementation of Planning Advice

Clients have sole discretion about whether or not to contract for KingsMark's services. In addition, clients have sole discretion about whether or not to implement any financial planning recommendations made by KingsMark's representatives. If clients do decide to implement the recommendations, they are responsible for taking any actions or implementing any transactions required. They are free to select any investment adviser, broker/dealer and/or insurance agent to implement KingsMark's recommendations. Clients should be aware that KingsMark's representatives are also licensed insurance salespersons. If clients elect to follow KingsMark's recommendations regarding insurance products and select one of KingsMark's representatives to implement the recommendations, the representative could receive commissions. This is a conflict of interest since the representative could earn advisory fees in his or her capacity as an investment adviser representative and could also earn commissions on insurance

products sold in his or her capacity as an independently licensed insurance agent. Please see **Item 5 - Additional Compensation** below for more information on how we manage this conflict.

If clients elect to implement investment recommendations through KingsMark, clients must pay KingsMark an asset management fee as discussed herein. This creates a conflict of interest in that KingsMark has an incentive to recommend investment management services which, if implemented through KingsMark, would financially benefit KingsMark. Please see **Item 10, Other Financial Activities and Affiliations**, for additional discussion on this conflict of interest.

Investment Management Services

KingsMark charges for investment management services based on a percentage of assets under KingsMark's management. The fee is charged as either a flat annual percentage or based on a tiered schedule. Whether the fee is a flat fee or a tiered schedule fee is negotiable but KingsMark considers the complexity of the client's situation and portfolio holdings when determining the type of fee it wishes to charge.

If charged as an annual flat percentage, the rate is up to 2% of the assets under management, which is also negotiable based on the complexity of the client's financial situation, the types of assets/classes maintained in the managed account(s), the amount of assets under management, whether the managed account is a qualified or non-qualified account, the relationship KingsMark has with the client, other accounts that KingsMark is managing for the client or related persons of the client, the level of knowledge and experience of the KingsMark representative providing the services, whether or not KingsMark has discretionary authority over the account, and other factors.

In most instances, KingsMark uses the following tiered fee schedule to determine the annual percentage fee charged:

<u>Account Value</u>	<u>Client Fee</u>
First \$500,000	1.25%
Next \$500,000	1.10%
Next \$1,000,000	0.85%
Next \$2,000,000	0.70%
Over \$4,000,000	Negotiable

Tiered percentage fees are also negotiable and KingsMark considers the same factors as for the annual flat fee. In all cases, KingsMark discloses the exact services and fee (schedule) prior to services being provided, and client agrees to said fee by executing an investment management agreement.

For assets that are managed by a third-party manager, and co-advised by KingsMark, KingsMark is paid for its services as co-advisor according to the same fee schedule shown above. Third-party manager is paid separately, according to the agreement client signs with third-party manager. Each quarter the custodian sends the client an account statement that reflects a deduction for the management fee. Clients should review account statements received from the custodian and verify that appropriate advisory fees are being deducted.

The custodian may charge both client fees and a separate custodial fee for the custody services it provides to the client's account. Complete details on the custodian's fees and expenses are disclosed in the account agreement between the client and the custodian. In addition, mutual funds held in a client's account pay their own advisory fees and other expenses and these fees and expenses are explained in each mutual fund's prospectus. These fees and expenses are separate charges from the management fees charged by KingsMark to client.

KingsMark excludes certain assets maintained in the account when determining management fees. These excluded assets are disclosed in an addendum to the client agreement for services.

Advisory fees are billed in arrears at the end of each quarter. Advisory fees are either calculated based on the account balance at the end of the quarter or calculated based on the average daily balance in the account during the quarter, depending on the custodian. The investment management agreement that

each client signs will disclose how fees are calculated to a given client. If an account is created mid-quarter, the initial fee is prorated based on the number of days services were provided. Fees are generally deducted from a client's account. On occasions with client consent, fees for one account may be deducted from another account under our management. The client must provide the account custodian with any written authorization requested in order to have fees deducted from the account and paid directly to KingsMark. Clients should review account statements received from their account custodian and verify that appropriate advisory fees are being deducted.

Clients may be charged fees by other parties relating to implementation of the investment advice provided by KingsMark. These other fees may include brokerage commissions and/or transaction fees charged by the custodian. In addition, clients may incur certain charges imposed by third parties in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees, contingent deferred sales charges and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Management fees charged by KingsMark are separate and distinct from the fees and expenses charged by mutual funds or other products that may be recommended to the client; we do not reduce management fees to offset these fees. A description of these fees and expenses are available in each prospectus provided by the issuer of the mutual fund or other security. Clients are encouraged to read those prospectuses carefully.

Either party may terminate the investment management agreement at any time by providing written notice to the other party. Termination is effective upon receipt of the notice. If services are terminated within 5 business days of executing the agreement, services are terminated without penalty and no fees are due. If services are terminated after the initial five-day period, the fee is prorated based on the number of days that services were provided prior to receipt of notice of termination.

Because the advisory fee we charge is based on a client's assets, a client should be aware that the more assets that are in a client's retail account, the more the client will pay in advisory fees. This presents a conflict of interest in that we are incentivized to encourage clients to increase the assets in their account. We address this conflict of interest by reviewing any such recommendation to ensure it is in the best interest of the client.

Clients should be aware that management services billed as a percentage of assets managed still lead to conflicts of interest between KingsMark and clients. For example, conflicts could arise relating to financial decisions in life such as incurring or paying down debt; gifting to charities or individuals; purchasing a home, car or other non-investment assets; purchasing a lifetime immediate annuity; travel or other expenditures; investments in private equity programs (private real estate ventures, closely held businesses, etc.); and placing funds in non-managed cash reserve accounts. KingsMark's goal is that its recommendations are always made with the best interests of its clients in mind, disregarding any impact the decision has on KingsMark.

Retirement Plan Consulting Services

For retirement plan sponsors, services may be charged as a percentage of plan assets, as a fixed fee or as an hourly fee. If charged as a percentage, the maximum fee is 2.00% annually and is negotiable based upon the complexity of the plan, the composition of plan assets, the actual services provided, the client's relationship with KingsMark, and other client accounts. The agreed upon fee is disclosed to the client prior to any services being provided. Fees are billed quarterly in arrears and calculated as of the fair market value of the assets on the last day of the calendar quarter. Fees for accounts opened mid-quarter are prorated based on the number of days that services are provided in the quarter.

If fixed fees are charged, the maximum fee is \$10,000. Hourly fees are billed at a maximum rate of \$300 per hour. Both fixed and hourly fees are negotiable based upon the complexity of the plan, the actual services provided and the client's relationship with KingsMark. The agreed upon fee is disclosed to the client prior to any services being provided. At KingsMark's sole discretion, the client may be required to pay a portion of the fixed or hourly fee up front in the form of a retainer; however, at no time will KingsMark require payment of more than \$1,200 in fees more than six months in advance. Upon completion of the services, the fixed or hourly fee is considered earned by KingsMark and any unpaid amount is immediately due.

Retirement plan sponsors may elect to pay all or a portion of fees for the individualized services provided by KingsMark to the plan participants.

Clients may elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. KingsMark's standard advisory agreement grants KingsMark the authority to deduct fees in that manner. If fees are billed directly, they are due upon receipt of KingsMark's billing statement.

Either party may terminate services by providing written notice to the other party. Termination is effective upon receiving that notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Percentage fees are prorated based upon the number of days services were provided during the calendar quarter. Fixed fees are prorated based upon the percentage of services completed at the effective date of termination. Hourly fees are prorated based upon the hours expended to the effective date of termination multiplied by the agreed upon hourly rate. Any prepaid but unearned fees are promptly refunded to the client. KingsMark provides a detailed billing statement and any fees due are payable upon receipt of that statement.

KingsMark does not reasonably expect to receive any other compensation, direct or indirect, for its services to a Plan or its participants. If we receive any other compensation for such services, we (i) offset that compensation against KingsMark's stated fees and (ii) disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to the Plan.

Additional Compensation

Some of KingsMark's representatives are independently licensed insurance agents and can earn commissions when selling insurance products in this separate capacity. This is a conflict of interest in that the representative has a financial incentive to recommend insurance products based on compensation received, rather than on a client's needs. We address this conflict of interest by requiring all representatives who are licensed to offer insurance products to our clients to assure that the recommendation to purchase insurance is in the client's best interest. In addition, we require all supervised persons who are licensed to offer insurance products to our clients to ensure that (1) the issuing insurer reviews the potential sale of any products for the purpose of determining adherence to applicable insurance suitability standards, (2) all representatives seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly disclosed, and (3) fully disclose to a client when a particular transaction will result in the receipt of commissions or other associated fees by providing them with the Firm's Form ADV Part 2 which discloses this conflict of interest. Clients are not obligated to purchase insurance products through KingsMark's representatives.

From time to time, KingsMark receives expense reimbursement for travel and/or marketing expenses from some of our business partners, vendors or trade organizations. Receipt of these travel and marketing expense reimbursements are not predicated upon specific levels of business or revenue. KingsMark and its representatives endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. However, clients should be aware that the receipt of additional compensation through expense reimbursements and other forms described herein creates a conflict of interest that may impact the judgment of the IARs when making advisory recommendations.

For a discussion of benefits we receive from custodians, please see **Item 12, Brokerage Practices**.

Comparable Services

KingsMark believes its fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisers offering similar services. However, lower fees for comparable services may be available from other sources.

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

"Performance-based fees" are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. KingsMark does not charge or receive performance-based fees. We also do not engage in side-by-side management.

Item 7 – Types of Clients

KingsMark generally provides investment advice to the following types of clients.

- Individuals and high net worth individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above
- Retirement Plans and Individual Retirement Accounts.

Minimum Investment Amounts Required

There are no formal minimum investment amount requirements for opening or maintaining an account. However, We may decline to manage an account at our discretion for many reasons, including that the value of the account may be too small to make our management efficient or effective for the potential client.

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

Methods of Analysis

KingsMark primarily uses fundamental analysis when considering investment strategies and recommendations for clients. Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, a fundamental analyst tries to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

There are risks when using fundamental analysis. It takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Therefore, fundamental analysis could mean a gain is not realized until a security's market price rises to its “correct” value over the long run—perhaps several years. Fundamental analysis usually involves less frequent trading practices, which could have a positive or negative impact on a client's portfolio value but likely has reduced brokerage and transaction costs.

Investment Strategies

KingsMark primarily utilizes asset allocation models as its investment strategy. Other investment strategies KingsMark uses when implementing investment advice to clients include:

- Long term purchases (Investments held at least a year.)
- Short term purchases (Investments sold within a year.)
- Trading (Investments sold within 30 days.)
- Margin transactions (Investor pays for part of the purchase and borrows the rest from a brokerage firm; e.g., investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from KingsMark.)

Risk of Loss

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee

that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- General Risks. Investments with us are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you may lose money by investing with us. When investments are sold, they may be worth less than the initial amount paid because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.
- Allocation Risk. Our allocation of investments among different asset classes, such as equity or fixed-income assets classes, may have a more significant effect on returns when one of these classes is performing more poorly than others.
- Market Risk. Either the market as a whole, or the value of an individual company, can go up or down, based on various news releases or for no understandable reason at all, resulting in an increase or decrease in the value of client investments. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments will fluctuate as the financial markets fluctuate. This could result in your account value(s) declining over short or long-term periods of time. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations. This is also referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investments will be subjected to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in any portfolio may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors will contribute to the volatility and risk of your assets. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Credit Risk. Your investments are subject to credit risk. An investment's credit quality depends on its ability to pay interest on and repay its debt and other obligations. If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk.
- Currency Risk. Investments may be subject to currency risk. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Currency fluctuations and changes in the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of your investments in foreign securities.
- Interest Rate Risk. Investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example,

fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change, specifically when rates rise losses are greater.

- Management Risk. Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.
- Political Risk. Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- Regulatory Risk. Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- Investment Term Risk. If the Client requires a liquidation of their portfolio during a period in which the price of the security is low, the Client will not realize as much value as they would have had the investment had the opportunity to regain its value, as investments frequently do, or had it been able to be reinvested in another security.
- Financial Risk. Many investments contain interests in operating businesses. Excessive borrowing to finance a company's business operations decreases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Default Risk. This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- Pre-payment Risk. Investments may be subject to pre-payment risk. Pre-payment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to pre-payment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of pre-payment features on the price of a security can be difficult to predict and result in greater volatility.
- Inflation Risk. This is the risk that the value of assets or income will be worth less in the future because inflation decreases the value of your money. As inflation increases, the value (purchasing power) of your assets can decline. This risk increases as we invest a greater portion of your assets in fixed-income securities with longer maturities.
- Liquidity Risk. Liquidity is the ability to readily convert an investment into cash. Liquidity risk exists when particular investments you may own have light trading volume and cannot be readily sold on a market. This means effectually you cannot convert the investment into cash until such time as a market exists in the investment, if ever. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.

There are also risks related to recommendation of specific types of securities and products. A portfolio may be comprised of stocks, bonds, preferred securities, publicly traded partnerships, ETFs, mutual funds, separately managed accounts, listed options on ETFs and stocks, cash or cash equivalents and select alternative investments. Among the risks are the following:

- Large-Capitalization Stock Risk. We may invest assets in large-sized companies. Investment strategies focusing on large-cap companies may underperform other equity investment strategies as large cap companies may not experience sustained periods of growth in the mature product markets in which they operate.

- Small- to Mid- Capitalization Stock Risk. We may invest assets in small to medium-sized companies. Investment strategies focusing on small- and mid-cap stocks involve more risk than strategies focused on larger more established companies because small- and mid-cap companies may have smaller revenue, narrower product lines, less management depth, small market share, fewer financial resources and less competitive strength. Shares of small to medium-sized companies may have more volatile share prices. Furthermore, the securities of small to medium companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.
- Bond/Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs. The returns from the types of securities in which an ETF invests may underperform returns from the various general securities markets or different asset classes. The securities in the underlying indexes may underperform fixed-income investments and stock market investments that track other markets, segments and sectors. Different types of securities tend to go through cycles of out-performance and underperformance in comparison to the general securities markets
- Municipal Bonds. The firm may use municipal bonds or municipal bond funds owing to the tax-advantaged nature of the income and relatively low incidences of default. However, municipal bonds do have risks including call risk, credit risk, interest rate risk, inflation risk, liquidity risk, among other possible risks.
- U.S. Treasury Notes and Bonds. The firm may use U.S. Treasury Notes and Bonds owing to the relatively low credit risk. However, Treasury securities do have risks including interest rate risk and inflation risk.
- Foreign Securities Risk. We have the ability to invest in foreign securities, and, from time to time, a significant percentage of your assets may be composed of foreign investments. Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: may have different auditing, accounting, and financial reporting standards; may not be subject to the same degree of regulation as U.S. companies, and may have less publicly available information than U.S. companies; and are often denominated in a currency other than the U.S. dollar. As with any type of security, you may place limits on the % of foreign assets you wish to hold or may restrict this asset class altogether, however you must be aware that under investing in these assets may add additional risks to your portfolio.
- Options Risk. Options are complex securities that involve risks and are not suitable for everyone. Options entail numerous types of risks, depending on whether you buy (or “hold”) the option or whether you sell (or “write”) option. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. The more an option is out of the money and the shorter the remaining time to expiration, the greater the risk that an option holder will lose all or part of his or her investment in the option. Option writers take on different risks. The writer of a covered call, for example, forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price, but continues to bear the risk of a decline in the value of the underlying interest. The writer of an uncovered call is in an extremely risky position and may incur large losses in the value of the underlying interest increases above the exercise price.

As with writing uncovered calls, the risk of writing put options is substantial. The writer of a put option bears a risk of loss if the value of the underlying interest declines below the exercise price, and such loss could be substantial if the decline is significant. The obligation of a writer of an uncovered call or of a put that is not cash-secured to meet applicable margin requirements creates additional risks.

Option trading can be speculative in nature and carry substantial risk of loss. The purchaser of a put or call option will lose all of the cost of the option (the premium). Most options expire "out of the money," meaning the purchaser will lose any opportunity to recoup the loss of premium or to profit on the option transaction. Selling puts and/or calls in a particular equity does not eliminate the downside risk of owning that equity, as described in "Equity Market Risk," above. There are additional significant risks involved in selling uncovered or "naked" puts or calls, that is, puts or calls on securities in which you as the client do not already own an underlying position in the security.

If you have been approved for options trading, you received a copy of the booklet "Characteristics and Risks of Standardized Options" published by the Options Clearing Corporation. You also represented to the custodian of your account that you agreed to read the booklet. We (KingsMark) encourage you to read the booklet, which further explains the risks of particular options strategies. If you need another copy, please notify us.

- Insurance Product Risk. The Firm's representatives may offer you insurance products in their individual capacities as insurance agents. There is no guarantee that you will earn any return on your investment and there is a risk that you will lose money. Before you consider purchasing an insurance product, make sure you fully understand and weigh the risks. These risks include:
 - Liquidity and Early Withdrawal Risk. There may be a surrender charges for withdrawals within a specified period, which can be as long as six to eight years. Any withdrawals before a client reaches the age of 59 ½ are generally subject to a 10 percent income tax penalty in addition to any gain being taxed as ordinary income.
 - Sales and Surrender Charges. Asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares. For example, a surrender charge could start at 7 percent in the first year and decline by 1 percent per year until it reaches zero.
 - Fees and Expenses. There are a variety of fees and expenses which can reach 2% and more, such as: mortality and expense risk charges, administrative fees, underlying fund expenses, and charges for any special features or riders.
 - Bonus Credits. Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
 - Guarantees. Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. Insurance products guarantees are subject to the financial strength and claims-paying ability of the issuing company and are only as good as the insurance company that gives them.
 - Principal Risk. The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Additionally, there are specific risks that pertain to our investment strategies which include, but are not limited, to following:

- Long Term Purchases - Securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market. The risk involved with this type of strategy is that, if you need your money in the short term, you may not be able to wait for the market to recover from a downturn.

For example, by holding your investment for at least a year, you may miss short-term gains in value. Your investment may also decline in value before the Firm decides to sell the position. By holding your investment for less than a year, the investment may not have time to fully appreciate and could decline in value. In addition, a short-term purchase strategy involves more frequent trading than longer-term strategies which may increase the transaction-related costs for the client. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

- **Short Term Purchases** - Securities purchased with the expectation that they will be sold within a relatively short period of time to take advantage of the securities' short-term price fluctuations. Occasionally, we may sell an investment within 30 days of purchasing. By selling in less than a 30-day period, you risk short-term price swings. If the investment does not perform as expected, you may have to decide whether to hold a short-term position for a longer time period or take a loss. When we engage in short sales, i.e., borrow securities in anticipation of a price decline and returning an equal number of securities at some future time, there is a risk that the share price will rise, thus causing losses. We may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.
- **Trading Securities on Margin** - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you borrow part of the purchase price, then you are engaging in margin transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, including:

- You can lose more funds than you deposit in your margin account
- The account custodian or clearing firm can force the sale of securities or other assets in your account
- The account custodian or clearing firm can sell your securities or other assets without contacting you
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call
- **Options** - Purchasing and writing options is a strategy whereby a contract is sold by one party to another, which offers the purchaser the right to buy or sell a security at an agreed-upon price during a certain period of time or on a specific date. We may use this strategy to hedge a portion of a Client's portfolio, or generate additional income. Options can be highly volatile instruments and can lose most or all of their value in a short amount of time, so clients must be willing to accept this risk.

Item 9 – Disciplinary Information

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our brochure.

Item 10 – Other Financial Industry Activities and Affiliations

One of our investment adviser representatives, Britt C. Bazemore, is a licensed certified public accountant and operates an independent company, Broadview Advisory Group, LLC, which provides accounting services. Because of that, in situations when we recommend Broadview Advisory Group, LLC, there is a conflict of interest. Accounting services may be available through other channels, including less expensive services. As a client, you are not obligated to purchase accounting or tax services even if recommended by our firm. We monitor this conflict by ensuring the recommendation of the accounting services is in the best interest of the particular client and through implementation of our policies and procedures.

Other than described above, KingsMark does not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- An investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships.

KingsMark is an independent registered investment registered adviser and only provides investment advisory services. It is not engaged in any other business activities and offers no other services except those described in this Disclosure Brochure. However, while KingsMark does not sell products or services other than investment advice, its representatives may sell other products or provide services outside of their role as investment adviser representatives.

Insurance Sales

Some of KingsMark’s representatives are also independently licensed to sell insurance products through various insurance companies unrelated to KingsMark. When acting in this capacity, they may receive fees or commissions for selling these products. This creates a conflict of interest in that the representatives have financial incentives to sell insurance products that pay commissions to the representatives. We manage this conflict of interest by requiring all representatives who are licensed to offer insurance products to our clients to assure that the recommendation to purchase insurance is in the client’s best interest. In addition, we require all supervised persons who are licensed to offer insurance products to our clients to ensure that (1) the issuing insurer reviews the potential sale of any products for the purpose of determining adherence to applicable insurance suitability standards, (2) all representatives seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly disclosed, and (3) fully disclose to a client when a particular transaction will result in the receipt of commissions or other associated fees. Clients are under no obligation to direct insurance transactions to insurance companies with which KingsMark’s representatives may be licensed. Insurance and investment products may also be available from other companies.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. KingsMark has established a Code of Ethics that applies to all of its associated persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser’s responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of clients at all times. KingsMark has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of KingsMark’s Code of Ethics, which also covers its insider-trading and personal securities transactions policies and procedures. KingsMark requires all of its supervised persons to conduct business with the highest level of

ethical standards and to comply with all federal and state securities laws at all times. Once employed by or affiliated with KingsMark, and at least annually thereafter, all supervised persons sign an acknowledgement that they have read, understand and agree to comply with KingsMark's Code of Ethics. KingsMark has the responsibility to make sure that the interests of all clients are placed ahead of its or its supervised persons' own interests. Full disclosure of all material facts and conflicts of interest is provided to clients prior to any services being conducted. KingsMark and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect its duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of KingsMark's Code of Ethics. However, if a client or a potential client wishes to review KingsMark's Code of Ethics in its entirety, a copy will be provided promptly upon request.

Some of our representatives are also Certified Financial Planners[™]. In addition to abiding by KingsMark's Code of Ethics, they also abide by the Code of Ethics and Responsibility Code of the Certified Financial Planner[™] Board of Standards, Inc. The Code of Ethics and Responsibility Code requires CFP[®] designees not only to comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP[®] designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

Clients can obtain a copy of the CFP[®] Code of Ethics and Responsibility Code by requesting a copy from one of KingsMark's representatives.

Certified Financial Planner, **CFP[®]** and federally registered CFP (with flame design) marks (collectively, the "CFP[®] marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The **CFP[®] certification** is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP[®] certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP[®] certification in the United States.

To attain the right to use the CFP[®] marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP[®] Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP[®] professionals.

Individuals who become certified must complete ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks.

KingsMark and its representatives may buy or sell securities or have an interest or position in a security for their personal accounts that they also recommend to clients. KingsMark is and shall continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. These situations may represent a conflict of interest in that KingsMark or its representatives have a financial incentive to act in the best interests of their own accounts over the best interests of clients' accounts. We address these conflicts of interest by abiding to a policy that no associated persons will prefer his or her own interest to that of the advisory client. No person employed by KingsMark may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to help minimize the conflict of interest, securities recommended by KingsMark are widely held and publicly traded.

Item 12 – Brokerage Practices

Clients wishing to implement KingsMark's advice are free to select any broker/dealer or investment adviser they wish and are so informed. Directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce the transaction costs, or the client may receive less favorable clients.

KingsMark recommends the use of various broker/dealers or other custodians with whom we have ongoing relationships. At present, the broker dealers we recommend are Charles Schwab & Co., Inc., TD Ameritrade, Wells Fargo, Wilmington Trust Company and My 529 Plans. Clients contracting for KingsMark's management services will generally need to establish an account at the custodian. Other qualified custodians that are not broker-dealers are American Funds, Principal Financial Group, Ameritas, Phoenix, and My 529 Plans. We reserve the right to change the broker-dealers and other custodians that we may recommend to clients.

Best execution of client transactions is an obligation KingsMark takes seriously and is a factor in the decision of using any account custodian we recommend. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. Overall custodial support services, trading support services, trade correction services and statement preparation are some of the other factors determined when recommending an account custodian.

How We Select Brokers/Custodians to Recommend

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for your account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.);
- availability of investment research and tools that assist us in making investment decisions;
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- provider's prior service to us and our other clients;
- availability of other products and services that benefit us, as discussed below.

Charles Schwab & Co., Inc.

KingsMark has entered into an agreement with Charles Schwab & Co., Inc. ("Schwab") pursuant to which Schwab provides KingsMark certain benefits as described below. This creates a conflict of interest. KingsMark addresses this conflict of interest by seeking efficient pricing for clients and carefully considering whether, pursuant to its obligation to seek the best execution for its clients any more advantageous pricing and/or services, considering the total value of services and benefits as received by both client and KingsMark on behalf of its clients, may be obtained elsewhere.

Products and Services Available to Us from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Therefore, we have an incentive to select or recommend custodian based on the benefits received rather than most favorable execution, which creates a conflict of interest. We address this conflict of interest by ensuring that Custodian's services are in the best interests of the clients.

Here is a more detailed description of Schwab's support services:

Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

These benefits may present a conflict of interest for KingsMark in that it has an incentive to use Schwab as a custodian for its clients based on its interest in receiving these benefits rather than on our clients' interest in receiving most favorable execution. We receive a benefit in that we do not have to produce or

pay for the services. KingsMark addresses this conflict by ensuring that each custodian used is suitable for each KingsMark client.

TD Ameritrade

KingsMark participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisers services which include the custody of securities, trade execution, clearance, and settlement of transactions. KingsMark receives some benefits from TD Ameritrade through its participation in the program.

There is no direct link between KingsMark's participation in the program and the investment advice it gives to its Clients, although KingsMark receives economic benefits through its participation in the program that are typically not available to TD Ameritrade 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 KingsMark participants;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts);
- The ability to have advisory fees deducted directly from Client accounts;
- Access to an electronic communications network for Client order entry and account information;
- Reimbursements for reporting software for clients;
- Access to mutual funds with no transaction fees and to certain institutional money managers; and
- Compliance, marketing, research, technology and practice management products or services provided to KingsMark by third party vendors without cost or at a discount.

TD Ameritrade may also have paid for business consulting and professional services received by KingsMark's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit KingsMark but may not benefit its Client accounts. These products or services may assist KingsMark in managing or administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help KingsMark manage and further develop its business enterprise. The benefits received by KingsMark or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, KingsMark endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by KingsMark or its related persons in and of itself creates a conflict of interest and may indirectly influence the KingsMark's choice of TD Ameritrade for custody and brokerage services. We receive a benefit because we do not have to purchase or pay for the services. To address this conflict, we ensure that TD Ameritrade's services are suitable for a client.

Other Custodians

Other custodians for KingsMark's clients make available to us other services at a reduced cost or at no cost. As with those listed above, these other products and services may benefit KingsMark but may not benefit its clients' accounts, or they may benefit some, but not all, client accounts. We make no effort to allocate these products and services only to the accounts that cause us to qualify for them. Some of these other products and services assist KingsMark in managing and administering clients' accounts, including:

- Software and other technology that provide access to client account data (such as trade confirmations and account statements)
- Facilitation in trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Research, pricing information and other market data
- Facilitation for payment of fees to advisers from clients' accounts

- Assistance with back-office functions, record-keeping and client reporting.

As a fiduciary, KingsMark endeavors to act in its clients' best interests. However, its recommendation that clients maintain their assets in accounts at certain custodians may be based in part on the benefit to KingsMark of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by such custodians. This may create a conflict of interest in that KingsMark has an incentive to use certain custodians based on its interest in receiving these benefits rather than on clients' interest in receiving most favorable execution. We receive a benefit because we do not have to purchase or pay for the services. To address this conflict we ensure that custodial services are suitable for a client. Clients are under no obligation to act on the recommendations of KingsMark. If KingsMark assists in implementing of any recommendations, KingsMark is responsible to ensure that the client receives the best execution possible.

Clients may select a broker/dealer or account custodian different from the one recommended by KingsMark and direct KingsMark to use that broker/dealer or custodian to maintain custody of their assets. KingsMark is not obligated to provide management services to the client through the use of that other custodian and has discretion to reject the client's request for directed brokerage. If KingsMark does not agree to manage the client's assets at another custodian, the client will be free to choose a custodian recommended by KingsMark or to choose another adviser to manage their assets. When a client directs the use of a particular broker/dealer or other custodian, KingsMark may not be able to obtain the best price and execution for the transaction. Clients who direct the use of a particular broker/dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or custodian. Further, directed trades may be placed by KingsMark after effecting non-directed trades.

Block Trading

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. KingsMark may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are fairly allocated as to opportunity and pricing.

Item 13 – Review of Accounts

Account Reviews

Clients contracting for financial planning services receive on-going services for one year after presentation of the comprehensive or modular plan. During this period, clients can visit with KingsMark about any aspect of the plan as originally prepared, including reviews and updates.

Accounts managed by third party money managers are reviewed at least annually, usually when copies of statements are received from the custodian. Accounts managed by KingsMark are likewise reviewed at least annually.

KingsMark's representatives are primarily responsible for reviewing their own accounts. Although the calendar is the main triggering factor, account reviews are also conducted due to client request, due to a change in client circumstances, account holdings or investment objectives or due to unusual economic conditions or market activity.

Absent specific client instruction, accounts are reviewed to evaluate asset allocations in the client's portfolio(s), accuracy of portfolio holdings, continuing suitability of investment products and to check that account performance is still working toward the client's goals and objectives.

Account Reports

Financial planning accounts do not receive any reports other than the financial plan included as a part of the services originally contracted for.

Accounts managed by KingsMark and by third party money managers receive account statements at least quarterly from the account custodian.

KingsMark may provide additional performance reports, position reports or account statements to clients. Always compare reports or statements received from KingsMark to the statement from your account custodian to ensure accuracy.

Item 14 – Client Referrals and Other Compensation

Client Referrals

KingsMark does not directly or indirectly compensate anyone for referring clients to KingsMark.

Other Compensation and Economic Benefit

KingsMark does not receive an economic benefit from someone who is not a client for providing investment advice or other advisory services to our clients. For additional discussion on other compensation received by KingsMark, its owners or its representatives, please refer to **Additional Compensation** under **Item 5, Fees and Compensation**, and **Item 10, Other Financial Industry Activities and Affiliations**. Please see **Item 12, Brokerage Practices**, for discussion about the services and products KingsMark may receive from Schwab Advisor Services, and TD Ameritrade Institutional, and other custodians.

Item 15 – Custody

Custody, as it applies to investment advisers, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts.

Our Firm also has custody of client funds or securities due to our standing authority to make third-party transfers on behalf of our clients who have granted us this authority. This authority is granted to us by the client through the use of a standing letter of authorization (“LOA”) established by the client with his or her qualified custodian. The standing LOA authorizes our Firm to disburse funds to one or more third parties specifically designated by the client pursuant to the terms of the LOA, and can be changed or revoked by the client at any time. We have implemented procedures to comply with the requirements outlined by the Securities Exchange Commission (“SEC”) in its February 21, 2017 No-Action Letter to the Investment Adviser Association.

Further, we require that a qualified custodian hold client assets. Clients will receive account statements directly from these custodians and should carefully read the statements for accuracy.

Information about the custodian that we recommend is fully described above in **Item 12, Brokerage Practices**. Other than to this limited extent, our procedures do **not** result in our maintaining custody of client funds and securities.

Item 16 – Investment Discretion

Investment management services are provided on a discretionary or non-discretionary basis. If management services are provided on a discretionary basis, KingsMark makes all decisions to buy, sell or hold securities, cash or other investments in the managed account in its sole discretion without consulting with the client before implementing any transactions. Clients must provide KingsMark with written authorization to exercise this discretionary authority. Clients can impose reasonable restrictions on management of their accounts.

When discretionary authority is granted, it is limited. KingsMark does not have access to client funds and/or securities with the exception of having advisory fees deducted from the client’s account and paid

to KingsMark by the account custodian. Any fee deduction is done pursuant to the client's prior written authorization provided to the account custodian.

If management services are provided on a non-discretionary basis, KingsMark always contacts clients before implementing any transactions in an account. Clients must accept or reject KingsMark's investment recommendations, including (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, KingsMark is responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. Clients should know that if they are not able to be reached or are slow to respond to KingsMark's request, it can have an adverse impact on the timing of implementing trades and KingsMark may not achieve the optimal trading price.

Item 17 – Voting Client Securities

KingsMark does not perform proxy-voting services on a client's behalf, and proxy materials are sent directly to clients. Clients are instructed to read through the information provided with the proxy-voting documents and make a determination based on the information provided. If clients request, KingsMark's representatives may provide limited clarifications of the issues presented in the proxy voting materials based on their understanding of issues presented in the proxy-voting materials. However, clients have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This item is not applicable to KingsMark's brochure. KingsMark does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, KingsMark is not required to include a balance sheet for its most recent fiscal year. KingsMark is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, KingsMark has not been the subject of a bankruptcy petition at any time.

Class Action Lawsuits

Client retains the right under applicable securities laws to initiate a lawsuit individually or to join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for client. KingsMark does not initiate such a legal proceeding on behalf of client and does not provide legal advice to client regarding potential causes of action against such a security issuer and whether the client should join a class-action lawsuit. KingsMark recommends that clients seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, KingsMark's services do not include monitoring or informing client of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for client.

Notification of Privacy Policy

At KingsMark Private Financial Advisors, LLC, protecting your privacy is very important to us. As a financial services firm, we collect and use nonpublic personal information (NPI) in order to provide our clients (prospective, current, or former) with a broad range of financial services as effectively and conveniently as possible. We are providing this notification to inform you of the types of NPI we collect, our privacy safeguards and sharing practices. We handle all NPI in accordance with this policy.

WHAT IS NPI? WHAT TYPES OF NPI DOES KINGSMARK PRIVATE FINANCIAL ADVISORS, LLC COLLECT AND FROM WHOM DO WE COLLECT IT?

Nonpublic personal information (NPI) is confidential personal information about you that we obtain in connection with providing financial services or products to you. We generally collect nonpublic personal information about you from the following sources:

- ❖ Information we receive from you on applications or other forms (e.g., name, address, income, etc.);
- ❖ Information about your transactions with us, our affiliates, our service providers, or other parties to transactions; and
- ❖ Information we may receive about you from unaffiliated financial service providers (e.g. custodians, insurance agents, attorneys, and consumer reporting agencies).

HOW IS YOUR NPI UTILIZED?

We do not disclose any nonpublic personal information (NPI) about you without your express consent, or except as described in this notice. We only share your nonpublic personal information with (1) employees of our firm or any company affiliated with our firm; (2) affiliates of our firm, (3) unaffiliated entities that either perform services for us or function on our behalf (such as check printing, account aggregation, broker dealer, custodial, investment company, and insurance services); (4) account aggregation services chosen by mutual agreement; and (5) others who need to know such information in order to provide products or services to you and (6) any other situation where we are permitted or required by law to share it. We will also receive nonpublic personal information from some or all of the entities listed above. Disclosure of nonpublic personal information to such parties is unrestricted and facilitated by your agreement and consent.

HOW DO WE PROTECT YOUR PERSONAL INFORMATION?

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. Our safeguards include measures to protect your information prior to, during and upon termination of our financial services engagement (i.e., disposal of your data).

DISCLOSING PERSONAL INFORMATION TO NON-AFFILIATED THIRD PARTIES

We do not sell, share or disclose your personal information to persons or entities that are neither service providers nor affiliates. We will not share or disclose such information to non-affiliated third-party marketing companies.

FUTURE POLICY REVISIONS

This policy may change to reflect updates in our practices, procedures, or regulatory requirements concerning the collection and use of NPI. As our client, you will receive notifications at least annually and our revisions or changes to this policy will be highlighted in our annual notifications. If you have any questions regarding our privacy policy, please do not hesitate to contact your investment advisor representative or you may write to, email, or call us at:

KingsMark Private Financial Advisors, LLC
601 Pointe North Boulevard
Albany, GA 31721

Firm Contact: Rebecca T. Anderson
Phone: (229) 439-2348

We are providing this notification to you in accordance with Federal and State regulations.