

## Lantern Wealth Advisors, LLC

"The Guidance you Need, The Service You Deserve"  
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### Form ADV Part 2A Appendix 1

#### Wrap Fee Program Brochure

March 31, 2021

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Lantern Wealth Advisors, LLC ("Lantern Wealth Advisors"). This Brochure also describes Lantern Wealth Advisors' wrap fee investment advisory programs and contains information that should be considered before participating in one of the programs. If you have any questions about the contents of this brochure, please contact us at 631-454-2000.

Wrap fee programs may cost more or less than purchasing investment advisory, brokerage, and custodial services separately, depending upon the separate costs of such services and the trading activity in the client's account.

Additional information about Lantern Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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.

## **Item 2 Material Changes**

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

Since the filing of our last annual updating amendment, dated March 27, 2020, the following material changes have been made:

On November 2, 2020, the ownership of Lantern Wealth Advisors, LLC has changed as follows:

90% - Percheron Asset Management Group, Inc

10% - Markpet, LLC

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## Item 4 Services, Fees and Compensation

**Lantern Advisor Select Plan** - Lantern Wealth Advisors, LLC ("LWA"), a registered investment adviser, operates a proprietary wrap fee advisory service called the Lantern Advisor Select Plan. Accounts in the Lantern Advisor Select Plan are managed exclusively by investment adviser representatives of LWA.

The Lantern Advisor Select Plan Programs are:

- Private Portfolio
- Mutual Funds, Closed End Funds and ETFs

**Lantern Select Plan** - LWA also acts as sponsor to a wrap fee program offered through third-party program providers ("program provider"), through which accounts are managed by unaffiliated third-party investment advisers.

Unless otherwise specified, all wrap fee programs are referenced herein as "the Plan".

### **Lantern Advisor Select Plan - Private Portfolio**

The Private Portfolio Program is an advisory program where portfolio management services are provided to the client on a discretionary basis for a wrap fee based on the market value of all of the securities in the account. As a discretionary account, the investment adviser representative is not required to contact the client prior to each transaction. The investment adviser representative and the client will work together to develop an investment strategy. The investment adviser representative will monitor the account to ensure it remains consistent with the investment strategy and the strategy remains appropriate. From conservative to speculative, portfolios are developed uniquely with each client's goals and risk tolerance in mind.

The fee schedule is as follows:

\$0-\$99,999	2.75%
\$100,000-\$499,999	2.50%
\$500,000-\$999,999	2.25%
\$1,000,000+	2.00%

Up to 65% of the total fee is paid to the portfolio manager(s).

### **Lantern Advisor Select Plan - Mutual Funds, Closed End Funds, & ETFs**

The mutual funds and ETF's portfolio program is a discretionary, mutual fund and ETF only advisory program where portfolio management services are provided to the client on a discretionary basis for a wrap fee based on the market value of all of the securities in the account. As a discretionary account, the investment adviser representative is not required to contact the client prior to each transaction. The investment adviser representative and the client will work together to develop an investment strategy. The investment adviser representative will monitor the account to ensure it remains consistent with the investment strategy and the strategy remains appropriate. From conservative to aggressive, portfolios are developed uniquely with each client's goals and risk tolerance in mind.

The fee schedule is as follows:

\$0-\$99,999	2.75%
\$100,000-\$499,999	2.50%
\$500,000-\$999,999	2.25%
\$1,000,000+	2.00%

Up to 65% of the total fee is paid to the portfolio manager(s).

### **The Lantern Select Plan**

Under this plan, LWA will perform management searches of various unaffiliated, independent registered investment advisers. Based on a client's individual circumstances and needs, LWA will determine which independent adviser's portfolio management is appropriate for that client. This determination may be made on a discretionary or non-discretionary basis. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the independent adviser. Certain independent advisers made available through this program may require the client to enter into a separate discretionary agreement between the adviser and the client. The independent advisers may engage the client directly, or they may be made available through the program provider with which LWA has entered into an agreement in order to access independent advisers made available on the program provider's platform. Whether or not clients are permitted to impose restrictions on investing will depend upon the determination of each independent adviser.

Fees are based on the third-party program used and the independent advisers selected. The total wrap fee charged to the client includes the program provider's fee, independent advisers' fees, and LWA's advisory fee. This fee may also include other fees imposed by third parties who provide services to the program, such as custodial fees.

### **Services and Fees**

The Plan offers investors the opportunity to obtain professional investment services and brokerage services for one all-inclusive fee based on assets under management. Clients pay a quarterly fee at the beginning of each quarter for services to be provided in that quarter. The fees will be paid in 4 quarterly payments, with the first payment due upon execution of the Plan contract and will be assessed pro rata in the event that the contract is executed at any time other than the first business day of a calendar quarter. Thereafter, for each succeeding calendar quarter, the fee shall be payable in advance on the first business day of the quarter and shall be based on the account asset value as of the last business day of the previous calendar quarter. The client will authorize the custodian to deduct the fee from the client's account and pay the fee directly to LWA. LWA is responsible for verifying the calculation of the fee. While LWA makes every attempt to ensure billing accuracy, the client is encouraged to review all fee calculations for accuracy and should contact LWA regarding any discrepancies. Although LWA has an established fee schedule set forth in this brochure, the asset-based fees are negotiable and are at the discretion of LWA.

Clients may terminate participation in the Plan by providing LWA with written notice. Any client may request a termination from the plan within 5 business days of the opening of the account and receive a full refund of the Fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

LWA provides discretionary and non-discretionary investment advisory services to clients that choose one or more of the programs described above. The wrap fee is an asset-based fee which includes the management fee paid to LWA for its services as portfolio manager, as well as broker-dealer, custodial and clearing expenses.

The client's financial advisor may have a financial incentive to recommend a fee-based advisory program, or to recommend a particular account program over another. Investment adviser representatives of LWA will receive a percentage of the wrap fees paid by advisory clients to compensate them for solicitation, shareholder support, advice, order placement and execution and other services. This compensation may be more than the financial advisor would receive under an alternative Program or if the client paid for advisory, brokerage, and other services separately.

If a client were to purchase services similar to those offered in the Plan separately, he or she would be required to pay brokerage commissions, custodial fees (if any), and investment advisory fees. Therefore, the plan may cost more or less than purchasing these services independently. The factors that should be considered when determining whether to participate in the Plan include the expected level of trading activity in the account, the corresponding brokerage commissions and transaction-related expenses that would be charged for the execution of trades, and the fees charged for the investment advisory services offered within the Plan. The Plan fee includes not only the fee of LWA, but also all custody and brokerage commissions for transactions executed in the client's account.

In making the determination of whether the aforementioned wrap fee programs are appropriate for their needs, clients should bear in mind that wrap fee arrangements, when compared with the option of paying transaction charges separately, generally result in lower costs during periods when trading activity is heavier, such as the year an account is established. During periods when trading activity is lower, such arrangements may result in a higher annual cost for transactions. Thus, the overall cost of the Plan will vary significantly, depending on the account size, amount of turnover, type of securities purchased or sold, quantities of securities purchased or sold, commission rates negotiated with the broker/dealer, and the client's tax situation. When making cost comparisons, clients should be aware that the combination of investment advisory, custodial and brokerage services available through these programs may not be available separately or may require multiple accounts, documentation and fees.

### **Other Expenses and Fees**

The advisory fees discussed above do not include certain indirect costs that may be associated with securities purchased or held in an account. Examples of indirect costs include expenses associated with investments in ETFs, mutual funds (as described below), or other pooled investments.

Clients should understand that the annual advisory fees charged in the wrap program are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. Certain open-end mutual funds may also assess a distribution fee or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs.

Clients may be able to purchase mutual funds directly from their respective fund families without incurring LWA's advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge, or "load". Client should note that only no-load or load-waived funds may be purchased in the Lantern Advisor Select Plan.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not by LWA) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These market timing charges are available in each fund's prospectus.

The wrap fee charged for participation in the Plan also does not include, and the account will be charged separately for, fees and ancillary services such as returned checks, safekeeping of physical certificates, paper statement and confirmation fees, and asset or wire transfers. The current ancillary fee schedule applicable to the Plan is outlined below (the highest possible fee is shown, some custodians may charge lower fees for similar services). These fees are subject to change without notice; an updated schedule will be provided upon request and will also be available on our public website [www.lanternwa.com](http://www.lanternwa.com)

Check Processing Requests:

- \$20 to place a stop on a check
- \$25 for a returned check
- \$10 for check reorder of Corestone accounts

Wire Transfers:

- \$25 for a wire transfer

Security Transfers:

- \$75 per security for physical transfer of securities
- \$75 per account for transfers to other firms
- \$15 per security for Direct Registration transfers

Paper Statements and Confirmations:

- \$0.75 per statement or confirmation

**Mutual Fund Fees and Expenses**

All fees paid to Lantern Wealth Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of Lantern Wealth Advisors. In that case, the client would not receive the services provided by Lantern Wealth Advisors which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Lantern Wealth Advisors to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Where acting as an investment adviser representative and the Advisory Client is investing in mutual funds, ETFs and/or money market funds through Lantern Wealth Advisors affiliate Herold & Lantern Investments, Inc. a service-level fee will be received by the affiliate company commensurate with the fees as disclosed in the prospectus or as explained herein. Herold & Lantern Investments, Inc. will receive compensation; however the Investment Advisor Representative does not share in any amounts paid to Herold & Lantern Investments, Inc.

Various share classes are offered by mutual funds and are available to Lantern Wealth Advisory clients. Lantern Wealth Advisors will evaluate the share classes, and will attempt to select the lowest cost share class for each investor. At times, the lowest cost share class may not be the most cost effective due to brokerage platform fees. If this is the case, Lantern Wealth Advisors will purchase the fund that is most cost effective. While Lantern Wealth Advisors seeks to avoid using share classes that charge 12b-1 fees, if such share class is the only means by which to satisfy the investment need, this share class may be purchased. Lantern Wealth Advisors and its investment advisory representatives are not directly compensated by these 12b-1 fees. However, if the mutual fund is purchased on the platform of our affiliate, Herold & Lantern Investments, Inc., the 12b-1 fee will be earned by the broker-dealer. The use of 12b-1 paying share classes versus non 12b-1 paying share classes may have a negative impact on performance and return.

Money market fund balances that are in brokerage accounts with our affiliate, Herold & Lantern Investments, Inc., a FINRA registered broker dealer, will pay 12b-1 fees or other distribution assistance to the broker dealer. Lantern Wealth Advisors and their investment advisor representatives do not receive compensation related to money market fund balances.

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

Lantern Wealth Advisors has an affiliation with Herold & Lantern Investments, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Herold & Lantern Investments, Inc. receives compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by Herold & Lantern Investments, Inc., is separate and in addition to Lantern Wealth Advisors advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Additionally, use of 12b-1 paying share classes versus non 12b-1 paying share classes may have a negative impact on share performance and return. Please refer to Item 12 Brokerage Practices for more information regarding execution of Client transactions and Lantern Wealth Advisors fiduciary duty to seek the best execution pricing available for Client transactions. Herold & Lantern Investments, Inc. may also be compensated in the form of distribution assistance or service fee revenue from mutual funds or exchange traded funds that are available on a "no transaction fee" program. Investments in certain "no transaction fee" exchange traded funds or mutual funds will not be subject to a commission. For additional information see "Mutual Fund Fees and Expenses" in Item 5 and Item 14 "Client Referrals and Other Compensation".

Most persons providing investment advice on behalf of our firm are registered representatives with Herold & Lantern Investments, Inc. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

## **Item 5 Account Requirements and Types of Clients**

### **Account Requirements**

Lantern Wealth Advisors currently provides services to individuals, high net worth individuals, trusts, estates, pension plans, and corporations and other business entities.

The minimum account size for each wrap fee program is:

- Private Portfolio - \$50,000
- Mutual Fund and ETF Portfolio - \$50,000

Please note with respect to "minimum account size" LWA may under appropriate circumstances, consider permitting accounts having asset values lower than the indicated minimum account size to participate in the programs. Considerations will include, but are not limited to, if the client has related accounts or has an investment objective that requires significant investments in cash, cash equivalents or fixed income securities. Although LWA has an established fee schedule set forth in this brochure, the asset-based fees are negotiable and are at the discretion of LWA.

The minimum annual fee per account is \$1,375.

### **Types of Wrap Fee Account Clients**

LWA offers participation in the Plans to the following types of clients:

- Individuals
- Pension and profit sharing plans
- Trusts, estates and charitable organizations
- Public entities and other governmental organizations
- Investment clubs
- Educational Institutions
- Corporations (including S Corps and LLCs)
- Small Business and others

## **Item 6 Portfolio Manager Selection and Evaluation**

Keith Lanton oversees and is responsible for the advisory programs offered at LWA. LWA selected Mr. Lanton for this position based upon his educational and work experience within the investment field. Mr. Lanton's bio is detailed below.

All assets in the Lantern Advisor Select Plan are managed exclusively by investment adviser representatives of LWA. LWA generally requires that the investment adviser representatives meet the following standards in order to initially participate in these programs:

- Series 7 and State-required licenses (unless state exemption is available)
- Not more than three sales practice-related complaints in the past 5 years and no forgery, misappropriation, unauthorized trading or similar settled or otherwise finalized actions in the last 10 years.
- Work experience of three years (as an investment adviser representative or equivalent experience directly related to management of client assets).

LWA may make exceptions to the policy above, or may decide to allow an investment adviser representative to act as portfolio manager if he or she no longer meets the initial eligibility criteria, if the firm believes there are extenuating circumstances or considerations. Once an employee is approved as portfolio manager, LWA will normally allow them to continue operating in that capacity.

## **BIO**

### **Keith Lanton, Managing Member, Chief Investment Officer**

#### **EDUCATION:**

Columbia University, MBA, 1991

Emory University, Bachelors Degree, 1989

#### **RECENT EMPLOYMENT HISTORY:**

4/08-Present: Managing Member, Lantern Wealth Advisors, LLC

1/93-Present: President, Herold & Lantern Investments, Inc.

4/94-Present: Manager, Lantern Insurance Brokerage, Inc.

## **Selection and Review of Portfolio Managers**

### *Lantern Advisor Select Plan*

The Lantern Advisor Select Plan programs are proprietary investment programs. All new participants must enter into an investment advisory agreement with LWA. The benchmarks for account performance are based on each client's responses to the Questionnaire which is completed and updated in consultation with your investment adviser representative. Using these responses the portfolio manager designs an appropriate investment strategy and develops an appropriate portfolio using this strategy. LWA maintains current client profiles and adjusts portfolios accordingly.

Portfolio performance is calculated using a time-weighted methodology. Portfolio performance evaluation reports are reviewed for accuracy by an LWA manager prior to delivery to clients. The reports are intended to inform clients about their investment performance over the current period and over the longer term, both on an absolute basis and compared to a benchmark.

### *Lantern Select Plan*

In selecting independent advisers for management of a client's assets, as well as in determining whether to replace an independent adviser, LWA considers a number of factors including, but not limited to, the adviser's fees, past performance, adherence to style mandate, and tenure of the portfolio manager.

In reviewing these factors LWA will generally rely on the due diligence and research provided to the firm by the program provider. This due diligence includes collection and reporting of data on investment style and philosophy, past performance, and personnel of the independent advisers. The program provider may also provide access to other independent advisers with respect to whom it has not performed due diligence. In evaluating these advisers, LWA performs its own due diligence to determine whether to select such advisers for the management of client assets.

When selecting independent advisers that are not made available through the third-party program, LWA will independently conduct the due diligence on the independent advisor. This due diligence includes collection and reporting of data on investment style and philosophy, reviewing past performance, and interviewing the key personnel of the independent advisers.

The due diligence performed by the program provider and/or LWA is intended to provide LWA with sufficient data and/or reports on each independent adviser to allow LWA to evaluate each adviser's competence and experience in accordance with industry standards; however, LWA is responsible for determining that it has sufficient information about an independent adviser to select such adviser to provide services to LWA and its clients.

### **Types of Advisory Services Offered, Tailoring of Advisory Programs and Reasonable Restrictions**

LWA provides investment supervisory services and manages investment portfolios tailored to achieve its clients' objective and risk tolerance. As stated above, all assets in the Lantern Advisor Select Plan programs are managed exclusively by investment advisory representatives of LWA. Client assets in the Lantern Select Plan are managed by unaffiliated, independent investment advisers recommended or selected by LWA. The LWA investment advisor representative will assess the client's prior investment experience, financial goals, time horizon, risk tolerance and investment objectives in order to determine the appropriate program for the client.

Clients may request that reasonable restrictions be imposed on the management of their wrap account.

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

The security analysis method utilized by Lantern Wealth Advisors may include any or all of the following: charting, fundamental, technical and cyclical analysis. The risks associated with these methods of analysis are described below. Those clients investing in the Lantern Select Plan should refer to the third-party independent registered investment adviser's disclosure document for information regarding the methods of analysis, sources of information, and investment strategies used by that independent registered investment adviser in servicing client accounts.

- *Fundamental:* Fundamental analysis is a general assessment based upon various factors including sale price, asset value, market structure, and history. Lantern Wealth Advisors will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.
- *Cyclical:* Cyclical analysis is a time based assessment which incorporates past and present performance to determine future value. The primary risk of using cyclical analysis is that past performance cannot guarantee to future results.
- *Charting and Technical:* Charting consists of preparing a technical analysis using diagrams to illustrate various patterns or progressions in market or account movement. Similar to charting, technical analysis employs the use of statistical models and quantitative methodologies to evaluate performance and value over a specified period of time. Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients, and may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Lantern Wealth Advisors will be able to accurately predict such a reoccurrence.

**Investment Strategies** - The investment strategies used to implement investment advice include: long term purchases, short term purchases, trading, short sales, margin transactions, option writing (including covered options, uncovered options, or spreading strategies). Investing in securities involves risk of loss that clients should be prepared to bear. The use of derivatives, including options, involves risks different from, or possibly greater than the risks associated with investing directly in securities. Prices of derivatives can be volatile and may move in unexpected ways, especially in unusual market conditions. Some derivatives are particularly sensitive to changes in interest rates. In addition, there may be imperfect or even negative correlation between the price of the derivatives contract and the price of the underlying securities. Other risks arise from the potential inability to terminate or sell derivative positions. Further, derivatives could result in loss if the counterparty to the transaction does not perform as promised.

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

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

### **Voting Client Securities**

Effective January 2016, the firm no longer votes proxies for advisory clients. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Lantern Wealth Advisors may provide clients with consulting assistance regarding proxy issues upon request.

To guide the firm in voting proxies for legacy client engagements through which the client granted Lantern Wealth Advisers the authority to vote proxies, the firm has written policies and procedures designed to comply with regulatory requirements. Those policies and procedures address the client's ability to direct their vote in a particular proxy solicitation by notifying their investment advisor representative. Lantern Wealth Advisors will vote those client securities in a timely manner and make voting decisions that are in the best interests of Clients. Lantern Wealth Advisors voting policy for such legacy engagements is to vote proxies in a way which Lantern Wealth Advisors believes will maximize the monetary value of each portfolio's holdings.

At any time clients for whom the firm votes proxies may request and receive information on how their particular proxies were voted. Additionally, clients may contact Lantern Wealth Advisors by phone or by mail with questions relating to the firms proxy voting policies and procedures. Proxy records will be kept for 5 years.

Lantern Wealth Advisors will resolve any material proxy conflicts of interest by disclosing the conflict to the client and obtaining client consent prior to the proxy voting.

Notwithstanding the foregoing, LWA does not provide advice regarding the following circumstances:

- No advice will be given if the firm holds, including in nominee name, 5% or more of the securities that are the subject of a proxy vote
- No advice will be given with respect to matters involving foreign private issuers, including American Depositary Receipts (ADRs)

- No advice will be given if LWA does not, in LWA's sole discretion, have the resources upon which to form a reasonable basis for the advice to be given
- No advice will be given if prohibited by law or regulation
- No advice will be given if LWA, believes that a conflict of interest may exist that might materially affect the judgment required to properly render such advice, or if LWA believes in its judgment that other factors are present which do not make the rendering of such advice to be prudent.

## **Item 7 Client Information Provided to Portfolio Managers**

LWA employees who serve as portfolio managers have access to all client information, and updates to such information, obtained by LWA with respect to the particular client accounts they manage. LWA provides the unaffiliated, independent investment advisers in the Plan with information about the client which is required to enable the portfolio managers to provide services to the clients' accounts. Such information generally includes name, address, age, social security number, phone numbers, occupation and employer.

## **Item 8 Client Contact with Portfolio Managers**

The primary point of contact for clients is the client's investment adviser representative. There are no restrictions on a client's access to his or her investment adviser representative when participating in the Lantern Advisor Select Plan. There may be restrictions on a client's access to the unaffiliated, independent investment advisers used in the Lantern Select Plan.

## **Item 9 Additional Information**

### **Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Lantern Wealth Advisors LLC or the integrity of Lantern Wealth Advisors LLC management.

There are no required disclosures of legal or disciplinary events involving Lantern Wealth Advisors or any of its representatives.

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

#### **Broker Dealers**

We are affiliated with Herold & Lantern Investments, Inc. This affiliate is a securities broker-dealer and member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Persons providing investment advice on behalf of our firm are also registered representatives with our affiliate broker dealer. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs.

**Registered Investment Adviser**

We are affiliated with Herold Advisors, Inc., a Registered Investment Adviser, through common control and ownership. Our advisory services are separate and distinct from the affiliate and their services.

**Insurance Company**

We are affiliated with Lantern Insurance Brokerage, Inc. and Herold Insurance Agency, Inc. through common control and ownership. Persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

**Code of Ethics**

Lantern Wealth Advisors, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Lantern Wealth Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

Lantern Wealth Advisors anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Lantern Wealth Advisors has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Lantern Wealth Advisors and/or, its associated persons may have a position of interest. Lantern Wealth Advisors' employees and persons associated with Lantern Wealth Advisors are required to follow Lantern Wealth Advisors' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Lantern Wealth Advisors and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Lantern Wealth Advisors' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Lantern Wealth Advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, such as mutual funds, have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Lantern Wealth Advisors' clients. In addition, the Code requires pre-clearance of transactions in IPOs and private placements. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might

benefit from market activity in a security held by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Lantern Wealth Advisors and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Lantern Wealth Advisors' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Lantern Wealth Advisors will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order. Lantern Wealth Advisors clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Wendy Lanton.

### **Review of Accounts**

Transactions placed through Herold & Lantern Investments, Inc. accounts are reviewed on a daily basis by Herold & Lantern Investments, Inc. associates processing such transactions, and LWA reviews each account periodically, and not less than annually, to ensure that the account is managed in accordance with stated objectives.

Annually, for accounts in existence for more than 6 months, LWA's introducing investment adviser representative will either personally meet or discuss on the telephone with each of their clients and LWA will survey accounts for any changes in the Investment Questionnaire. LWA reviews these updates to determine whether changes may have an effect on the ongoing suitability of investments in clients' portfolios or would cause a revision to investment strategies.

### **Client Referrals and Other Compensation**

As disclosed under the *Services, Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Herold & Lantern Investments, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Services, Fees and Compensation* section.

Investment adviser representatives of LWA will receive a percentage of the wrap fees paid by advisory clients to compensate them for solicitation, shareholder support, advice, order placement and execution and other services. Lantern Wealth Advisors and/or its investment adviser representatives may be entitled to receive incentive awards for the sale of insurance products and/or distribution fees for the placement of client funds into investment company products. Costs incurred by the clients in the purchase of such insurance or investment company products are not increased as a result of these incentive awards or additional compensation; however, receipt of this additional compensation may create a conflict of interest, as the investment adviser representative may have an incentive to recommend products based on the compensation received rather than on the needs of the client. All investment adviser representatives of the firm have a fiduciary duty to act in the best interest of the firm's clients based on the client's specific needs and objectives.

Lantern Wealth Advisors does not compensate others for client referrals.

## **Herold & Lantern Investments, Inc.**

Herold & Lantern Investments, Inc., an affiliated broker-dealer receives marketing assistance payments from some of the market sweep program offerings made available on our brokerage and advisory platform. The amount of payment is dependent upon the amount of aggregate dollars invested in a money market over a given month and can range from zero to .000417 of the monthly balance. Money market sweep programs that do not pay marketing assistance are also available to Herold & Lantern Investments, Inc. and Lantern Wealth Advisors brokerage and advisory platforms (respectively). Use of sweep offerings that pay marketing assistance can have a negative impact on the performance results of the money market fund. Amounts received from these marketing assistance programs are used to contain costs across Herold & Lantern Investments, Inc.'s product offerings, which Lantern Wealth Advisors may utilize. These arrangements present a conflict of interest when it comes to selecting or recommending a money market sweep option. For additional information see "Mutual Fund Fees and Expenses" and "Compensation for the Sale of Securities or Other Investment Products" in Item 4.

## **Financial Information**

Lantern Wealth Advisors does not require the prepayment of more than \$1,200 in fees per client six months or more in advance of providing services to clients. Further, Lantern Wealth Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.