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**Brochure for START Platform  
(Service)**

**March 2021**

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Avidian Wealth Solutions, LLC f/k/a as STA Wealth Management, LLC is an investment adviser that is registered with the United States Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

This firm brochure provides information about the qualifications and business practices of Avidian Wealth Solutions LLC and has been prepared for clients interested in participating in our **on-line investment management platform, The START Platform**.

We have a separate brochure to describe our other advisory services offered, which is provided in addition to this brochure. If you have any questions about the contents of any firm brochure, please contact us at 281-822-8800 [or hopeedick@avidianwealth.com](mailto:hopeedick@avidianwealth.com). The information in this firm brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## ITEM 2 – MATERIAL CHANGES

Since our last Annual Amendment filing on March 30, 2020, Avidian has updated this brochure as follows:

STA Wealth Management has changed their legal name to Avidian Wealth Solutions, LLC. There has not been in change in ownership or management.

Language was added to Item 18 to disclosure Avidian’s participation in the Paycheck Protection Program (“PPP”). The PPP is intended to aid our firm with its ongoing obligations such as payroll, overhead, and other allowable expenses. Please see Item 18 of this Brochure.

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## **ITEM 4 - ADVISORY BUSINESS**

### **Avidian Advisory Description**

Avidian Wealth Solutions, LLC ("Avidian") formerly named STA Wealth Management, LLC has been in business since October 9, 2002 and commenced doing business in 2003 as Streettalk Advisors, LLC. The principal owners are James "Luke" Patterson, Michael Anthony Smith, Preston Snow, James Atkinson, Bradley Covey.

This brochure only describes Avidian's online investment management program – The START Program. Information pertaining to Avidian's primary course of business, Traditional Investment Management, and other services is disclosed in the Avidian Wealth Solution Part 2A Brochure which is being provided to you with the START Program Part 2A Brochure.

### **Avidian Online Investment Management Accounts**

Avidian provides The START Platform portfolio management service through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. (the "Program" and "SWIA," respectively). Avidian has branded the Program as The START Platform. Through the Program, Avidian offers clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client may instruct Avidian to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. ("CS&Co"). Avidian is independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, "Schwab"). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the "Program Disclosure Brochure"), which is delivered to clients by SWIA during the online enrollment process.

Avidian, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. Avidian is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure.

Avidian has contracted with SWIA to provide it with the technology platform and related trading and account management services for the Program. This platform enables Avidian to make the Program available to clients online and includes a system that automates certain key parts of the Avidian investment process (the "System"). The System includes an online questionnaire that helps Avidian determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that Avidian will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but Avidian then makes the final decision and selects a portfolio based on all the information Avidian has about the client. The System also includes an automated investment engine through which Avidian manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). Avidian does not receive a portion of a wrap fee for our services to clients through

the Program. Clients do not pay fees to SWIA in connection with the Program, but Avidian does charge clients a fee for its services as described below under *Item 5 Fees and Compensation*. Avidian's fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Avidian does not pay SWIA fees for its services in the Program so long as Avidian maintains \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If Avidian does not meet this condition, then Avidian must pay SWIA an annual fee of 0.10% (10 basis points) on the value of Avidian's clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

#### Conditions and Limitations of the Program:

- Clients enrolled in the Program will not receive financial planning and consulting services unless engaged in a separate capacity.
- Clients with less than \$50,000 in the Program will not be eligible to receive tax loss harvesting services provided by the Program.
- Clients may contact an advisor via email or telephone for questions about their portfolio, but such advice will be limited.
- Enrollment in the Program will generally be limited to clients with asset levels of less than \$500,000. Once a client has reached this asset level, they may be required to convert to a standard advisory relationship in Avidian's sole discretion.

#### Tailored Advisory Services

While Avidian has discretion over START Platform client's accounts, clients may exclude three specific ETFs from their portfolio; however, they are not allowed to eliminate an asset class all together. In other words, they cannot choose to restrict both a Primary and Secondary ETF from an asset class, doing so will restrict the account from trading. If a client chooses to elect a restriction, they may do so during the account opening process or after the account is created using the profile tab on the Schwab system. For this reason, not all client accounts will contain the same investments even if invested in the same portfolio model.

#### Client Assets under Management

As of December 2021, The START Program had \$1.25 million in assets under management. Avidian Wealth Solutions' total assets under management as of December 2019 was 1.734 billion.

#### Other Information

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** 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 Avidian recommends that a client roll over their retirement plan assets into an account to be managed by Avidian, such a recommendation creates a conflict of interest if Avidian will earn an advisory fee on the rolled over assets.

**No client is under any obligation to rollover retirement plan assets to an account managed by Avidian. Avidian's Chief Compliance Officer Hope Edick remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Avidian) will be profitable or equal any specific performance level(s).

Avidian's Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

*Disclosure Statement* - A copy of Avidian Wealth Solutions written Brochure as set forth in this Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of an Avidian advisory agreement.

## ITEM 5 - FEES AND COMPENSATION

**Please note the fees detailed below only pertain to the START Program.  
Avidian does not consider the START Program fees to be negotiable.**

***All Avidian Online Investment Management Clients (START Platform) shall be billed as follows:***

Asset Range	Annual Fee
\$25,000 – 50,000	\$250.00 - per Client household
\$50,001 – 500,000	0.50% of Account Value per client household

### **Other Fees**

The Client will bear additional indirect fees as further disclosed in the Services, Fees and Compensation section of the Schwab Wealth Investment Advisory, Inc. Schwab Intelligent Portfolios™ Disclosure Brochure. Fees paid to Avidian are separate and distinct from the fees and expense described in the Fees and Compensation section of the Schwab Wealth Investment Advisory, Inc. Schwab Intelligent Portfolios™ Disclosure Brochure.

As described in *Item 4 Advisory Business*, clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*. Avidian does not receive any portion of this revenue.

The client should review all fees charged by mutual funds, ETFs, Avidian and others to fully understand the total amount of fees paid by the client or investment and financial-related services.

Either Avidian or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Avidian from the client will be deducted from the client's account prior to termination.

#### **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Avidian does not receive performance-based fees from any of the START Platform clients. Please see our other Firm Brochure for disclosures regarding our other advisory accounts and our management of the Specialized Fund.

Managing accounts with performance-based payments side-by-side with accounts not paying performance-based fees creates a conflict of interest for Avidian, as it may have an incentive to trade more aggressively in, take greater risk for, or allocate more profitable trades to the performance paying accounts or funds. This risk is not present with regard to The START Platform since trading is limited to ETFs.

#### **ITEM 7 - TYPES OF CLIENTS**

**The START Platform** is only available to individuals with the following account types:

- Individuals, Joint Accounts
- Traditional IRA, Roth IRA, IRA Rollovers, SEP IRA & SIMPLE IRA
- Revocable Trust Accounts

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

Avidian uses a combination of the following types of analysis in evaluating investments for client accounts:

- Charting—Analysis of charts of past stock performance
- Fundamental—Analysis of financial attributes of a company, such as revenue growth, debt to equity ratio, inventory turnover, etc.
- Technical—Analysis which assumes past performance is a predictor of future performance

Avidian uses the following sources of information in its analysis among others:

- financial newspapers and magazines,

- research materials prepared by others,
- corporate rating services, timing services,
- annual reports, prospectuses, filings with the Securities and Exchange Commission, and
- company press releases.

### **Investment Analysis**

The investment strategies for the START Platform include the following:

- long-term purchases (securities held at least a year),
- short-term purchases (securities sold within a year),
- trading (securities sold within 30 days),

### **Risk of Loss**

Investing in securities, whether through The START Platform program or otherwise, involves the risk of loss that clients should be prepared to bear. The significant risks associated with the ETFs comprising the Program portfolios, as well as the risks associated with securities held in those ETFs, are set out in the SWIA Program Brochure, a copy of which is provided to each investor. Clients are urged to read an ETF's prospectus or product description for more information.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Avidian, nor any of its officers or principals, has been charged in any investment-related criminal or civil actions in a domestic, foreign, or military court.

Avidian nor any of its officers or principals, has been found (1) to have caused an investment-related business to lose its authorization to do business, and (2) to have been involved in a violation of an investment-related statute or regulation and the subject of an order in connection with any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Avidian has not been involved in any self-regulatory organization proceedings; however, one of the principals had a regulatory action brought against him by the NASD (now FINRA). This action stemmed from an employee agreement. In 2002, Mr. Patterson received a forgivable loan from the firm with which he was employed. The loan was to be forgiven if he stayed with the firm in accordance with his employee agreement.

In 2004, Mr. Patterson left the firm for various reasons, which included his not wanting to sell the products the firm offered, as well as differences in investment philosophy. In 2005, the firm filed an arbitration proceeding to collect the portion of the loan that had not been forgiven. Mr. Patterson moved shortly after he left the firm; therefore, he never received the notice of the arbitration and did not appear at the proceeding. This resulted in the suspension of his NASD registration. In 2005, Mr. Patterson's old firm received a default arbitration award. As soon as Mr. Patterson learned of the default arbitration, he contacted the firm and settled the matter. His suspension was lifted by FINRA in 2011.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### Affiliations with Pooled Investment Vehicles

Avidian and its affiliates have sponsored a number of private investment funds that they manage. Avidian and/or its affiliates serve as the general partners to these funds. The funds do not have independent management. These arrangements are described in more detail above under Item 4 Advisory Business. Certain Avidian principals and Advisors have also invested personal assets in these private funds.

Although this arrangement may give Avidian heightened control and discretion over its fund clients, Avidian manages conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each client's fund offering documents.

From time to time, Avidian may recommend that qualifying clients invest in one of these private funds. This poses a conflict of interest for Avidian to the extent it has a financial incentive to recommend that clients invest in the funds, thereby increasing the assets held by the funds and in turn increasing the compensation payable to Avidian and/or its affiliates, otherwise benefiting them. However, Avidian does not charge an advisory fee on any assets in its clients' managed accounts that are invested in these private funds, which is aimed at mitigating this conflict of interest. In addition, Avidian is constrained by fiduciary principles to act in its clients' best interests when managing accounts and will recommend that clients invest in the funds only when it is suitable to do so. Avidian monitors activity in its clients' accounts in an effort to ensure that transactions are appropriate.

### Affiliation with Insurance Agency and Licensed Insurance Agents

Clients may receive advice on other commission-based insurance-related products such as fixed annuities and various types of insurance. Some of the investment advisor representatives (IAR's) may be independently licensed with various insurance companies and/or the following affiliated insurance agency Avidian Insurance Agency, LLC.

### Affiliated Insurance Agency – Licensed Agents

Avidian Wealth Solutions and/or its Principals has an affiliation with the Avidian Insurance Agency, LLC.

James "Luke" Patterson and Michael Smith both principals of Avidian Wealth Solutions, LLC own Avidian Insurance Agency, LLC. The percentage of interest is as follows: Luke Patterson 50% and Michael Smith 50%. Both Luke Patterson and Michael Smith are licensed agents for Avidian Insurance Agency.

**Conflict of Interest;** The recommendation by an Avidian Wealth representative that a client purchase an insurance product through the firm's affiliated insurance agency, presents a conflict of interest as the receipt of commissions to the insurance agency benefits Avidian Wealth Solutions, LLC, and the other owners of the agency. In addition, Michael Smith and Luke Patterson as licensed agents of Avidian Insurance Agency, LLC, receive normal and customary commissions for the sale of insurance products. No client is under any obligation to purchase any insurance commission products from Avidian and/or its representatives. Clients are reminded that they may purchase insurance products recommended by Avidian through other non-affiliated



or insurance agencies. In addition, Avidian Wealth is constrained by fiduciary principles to act in its clients' best interests when providing advice and will recommend that clients purchase an insurance product only when it is suitable to do so. Avidian Wealth monitors these arrangements in an effort to ensure that purchases are appropriate.

### **Non-Affiliated Insurance Agency - Licensed Agents**

Some of the IAR's acting in the capacity of an insurance agent may recommend insurance products with non-affiliated agencies on a commission basis.

**Conflict of Interest:** This presents a conflict of interest as the IAR may receive fees for the advice and receive commission on the sale of the product. Clients are reminded that they may purchase insurance products recommended by Avidian Wealth's advisors through other insurance agents. In addition, Avidian Wealth is constrained by fiduciary principles to act in its clients' best interests when providing advice and will recommend that clients purchase an insurance product only when it is suitable to do so. Avidian Wealth monitors these arrangements in an effort to ensure that purchases are appropriate.

### **Insurance Network Program**

As described above Avidian can provide clients access to a platform of insurance products through DPL Financial Partners, LLC ("DPL"). All products are available through this program are commission fee / fee-based products. Should a client determine to purchase an insurance product through the program, DPL (the program sponsor) will receive administrative fees from the insurance carrier based on the product sold and DPL becomes the agent of record on the contract. Avidian will be acting in an advisory capacity to the same client and the client will pay advisory fees as detailed in Item 5.

**Conflict of Interest:** The recommendation by an Avidian Wealth advisor that a client purchase an insurance product through the DPL program, presents a **conflict of interest** as the client may or may not pay more to purchase an insurance product through the program rather than through the advisor in his or her separate capacity as an insurance agent, or by purchasing a product direct from an insurance carrier. No client is under any obligation to purchase any insurance products through the DPL program or from Avidian and/or its representatives. Clients are reminded that they may purchase insurance products recommended by Avidian through other non-affiliated insurance agencies. In addition, Avidian Wealth is constrained by fiduciary principles to act in its clients' best interests when providing advice and will recommend that clients purchase an insurance product only when it is suitable to do so. Avidian Wealth monitors these arrangements in an effort to ensure that purchases are appropriate.

### **Direct Purchase of Fee Based Annuity Products**

Avidian has access to several fee-based annuity products offered directly through certain insurance carriers. Should an Avidian Wealth advisor recommend a client purchase an annuity product through the direct purchase program. Avidian will be acting in its capacity as an investment advisor according to the advisory agreement in place with the client, and the client will pay their stated management fee based on the assets under management.

**Conflict of Interest:** The recommendation by an Avidian Wealth advisor that a client purchase a fee-based annuity using the direct purchase option, presents a conflict of interest as the client

may or may not pay more in management fees to purchase an annuity product using this service rather than if they purchase through the advisor in his or her separate capacity as an insurance agent. Or through the DPL network. No client is under any obligation to purchase any annuity through their advisory relationship with Avidian and/or its representatives. Clients are reminded that they may purchase annuity products recommended by Avidian through other non-affiliated insurance carriers and/or agencies. In addition, Avidian Wealth is constrained by fiduciary principles to act in its clients' best interests when providing advice and will recommend that clients purchase an insurance product only when it is suitable to do so. Avidian Wealth monitors these arrangements in an effort to ensure that purchases are appropriate.

### **Financial Institution Consulting Services**

Avidian has agreement(s) with broker/dealers to provide investment consulting services to Brokerage Customers. Broker/dealers pay compensation to Avidian for providing investment consulting services to Customers. This consulting arrangement does not include assuming discretionary authority over Brokerage Customers' brokerage accounts or the monitoring of securities. These consulting services offered to Brokerage Customers may include a general review of Brokerage Customers' investment holdings, which may or may not result in Avidian's investment adviser representative making specific securities recommendations or offering general investment advice. Brokerage Customers will execute a written advisory agreement directly with Avidian.

This relationship presents **conflicts of interest**. Potential conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from Avidian; by Avidian not accepting or billing for additional compensation on broker/dealers' Assets Under Management beyond the consulting fees disclosed in Item 5 in connection with the investment consulting services; and by Avidian not engaging as, or holding itself out to the public as, a securities broker/dealer. Avidian Wealth is not affiliated with any broker/dealer.

### **Registered Representatives of a Broker-Dealer**

As discussed above, certain of our representatives are also, in their separate and individual capacities, registered representatives of Purshe Kaplan Sterling a broker-dealer. Clients can choose to engage these registered individuals to effect securities brokerage transactions on a commission basis.

**Conflict of Interest:** The recommendation by these representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Avidian's representatives. Clients are reminded that they may purchase securities or insurance products recommended by Avidian through other, non-affiliated insurance agents or registered representatives of a broker-dealer.

### **Other Business Activity – Liquidating Trustee**

Avidian Wealth Solutions is acting as the liquidating trustee to each series of the Black Swan Opportunity Fund, LP as well as the Black Swan Multi-Strategy Funds. The main duty of Avidian is to oversee the orderly liquidation of each of the fund's assets and the distribution of disposition proceeds in accordance with the liquidation provisions set forth in the applicable Operating

Agreements. Avidian or its Principals are not employees of Black Swan and receive no compensation or fee.

While acting in the capacity may give Avidian heightened control over the funds. The risk is mitigated by having the funds held at a qualified custodian, having a fund administrator producing monthly financials, as well as subjecting each fund's financial statements to an annual audit or surprise examination. In addition, Avidian is constrained by the conditions set forth in the Liquidating Trustee Agreement.

**Avidian' Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

<b>ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</b>
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### **Code of Ethics**

Avidian has adopted a Code of Ethics which describes the general standards of conduct Avidian expects of all firm personnel (collectively referred to as "employees"). Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with Avidian. Any client or prospective client may request a copy of Avidian's Code of Ethics which will be provided, at no cost, by contacting Hope Edick at 281.822.8800.

The following basic principles guide all aspects of Avidian's business and represent the minimum requirements to which Avidian expects employees to adhere:

- Clients' interests come before employees' personal interests and before Avidian's interests.
- Avidian must fully disclose all material facts about conflicts, of which it is aware, between Avidian and its employees' interests, on the one hand, and client and Avidian's interests on the other.
- Employees must operate on Avidian's behalf and on their own behalf consistently with Avidian's disclosures and manage the impacts of those conflicts.
- Avidian and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- Avidian and its employees must always comply with all applicable securities laws.

### ***Personal Securities Trading***

Trading by Avidian personnel in their personal accounts is subject to review and, in many cases, requires prior approval by Avidian's Chief Compliance Officer (CCO). Employees are allowed to trade in their personal accounts in stocks, mutual funds, bonds, ETFs, and pre-approved private placements. Employees may invest simultaneously with clients as long as the same price is obtained. Investing in private placements in personal accounts must be pre-approved by the CCO. Personal trades must be reported quarterly to the Avidian CCO and holdings are reported annually. Both personal trades and holdings are reviewed on a periodic basis to ensure compliance with Avidian's policy. Breaches to the policy are taken seriously and may be met with disciplinary action, including termination of employment.

The Avidian principals have also invested in the Premier Fund and the Avidian Real Estate Fund as limited partners; therefore, have ownership interests beyond owning the general partners of each fund. See Item 10 "Other Financial Industry Activities and Affiliations" for more information on the conflict of interest this presents.

### ***Outside Business Activities***

Employees are required to report to Avidian any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed, or the employee will be directed to cease this activity.

## **ITEM – 12 BROKERAGE PRACTICES**

### **Broker Selection**

Avidian selects the brokers or dealers that handle securities transactions in client accounts and negotiates their commissions. Avidian has entered into agreements with Schwab, Fidelity, and Millennium Trust Company (MTC) to act as custodians for client accounts. Avidian does not have any affiliation with these broker-dealers. The commissions charged by Schwab, Fidelity, and MTC, are comparable with those of other broker-dealers in return for like products and services; however, they may be higher in some instances than those obtainable from other brokers. Avidian generally trades through the custodian in order to manage transaction fees. Avidian and its personnel receive no commissions or 12(b)-1 fees from accounts held at these custodians.

### ***Best Execution***

Avidian's policy is to attempt to obtain the best execution for its clients' securities transactions. What constitutes "best execution" as well as determining how to achieve it is inherently uncertain. In evaluating whether a broker will provide best execution, Avidian considers a range of factors. These include: Historical net prices (after markups, markdowns, or other transaction-related compensation) on other transactions. The execution, clearance, settlement, and error correction capabilities of the broker in connection with securities of the type and amounts to be bought or sold. The availability of no-load mutual funds. The broker's reliability and financial stability. The commission structure. The quality of information provided to Avidian and to clients.

Avidian is not required to select the broker that charges the lowest transaction cost even if that broker provides execution quality comparable to other brokers. Avidian expects at times that clients will pay more than the lowest transaction cost available in order to obtain for Avidian and/or its clients services and products other than securities transactions execution. As noted above, Avidian generally trades through the custodian in order to manage transaction fees.

In the event that the client requests that the Avidian recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Avidian to use a specific broker-dealer/custodian), Avidian generally recommends that investment management accounts be maintained at *Fidelity and/or Schwab*. Prior to engaging Avidian to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Avidian setting forth the terms and conditions under which Avidian shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Avidian considers in recommending *Fidelity and/or Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the client, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Avidian's clients shall comply with the Avidian's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where the Avidian determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Avidian will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Avidian's investment management fee. The Avidian's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

#### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Avidian may receive from *Fidelity and/or Schwab* (or another broker-dealer/custodian, vendor, platform, or product sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Avidian to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Avidian may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Avidian in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Avidian in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Avidian to manage and further develop its business enterprise.

Avidian's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity and/or Schwab* as a result of this arrangement. There is no corresponding commitment made by the Avidian to *Fidelity and/or Schwab* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

#### **Broker Review**

At least annually, Avidian's Chief Compliance Officer and Chief Executive Officer review brokerage relationships in light of the factors referenced above.

#### Research and Additional Benefits

Avidian currently has no formal soft-dollar arrangements, where specific products or services are paid for with soft dollars generated for Avidian by individual trades Avidian places in client accounts. However, as referenced above, the custodians are providing Avidian with certain products and services. Products or services provided by the custodians may be used to service all or a substantial number of Avidian's accounts, including accounts not maintained at the particular custodian providing that product or service and without allocating products or services among accounts. To the extent these products or services are provided to Avidian without charge, Avidian receives a benefit because it does not have to produce or pay for the products or services out of its own pocket.

These arrangements with the custodians pose a conflict of interest for Avidian to the extent that they create an incentive for Avidian to suggest clients maintain their assets in accounts at the custodians on the basis of products and services that may become available to Avidian as a result, rather than solely on the basis of the nature, cost or quality of custody and brokerage services provided to clients. However, Avidian is constrained by fiduciary principles to act in its clients' best interests and will suggest the custodians to clients only when it appropriate to do so. In addition, Avidian maintains an awareness of the services provided to clients by the custodians in an effort to ensure that clients are well served.

In addition to our portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client's account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co 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. CS&Co's support services described below are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. The availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co's support services.

CS&Co'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. CS&Co's services described in this paragraph generally benefit the client and the client's account.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We do not have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above under *Item 4 Advisory Business*, we do not pay SWIA fees for its services in connection with the Program so long as we maintain \$100 Million in client assets in accounts at CS&Co that are *not* enrolled in the Program. In light of our arrangements with Schwab, we may have an incentive to recommend that, or clients maintain their accounts with CS&Co based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co's services and not Schwab's services that benefit only us.

### **Brokerage for Client Referrals**

Avidian does not directly or indirectly compensate any broker for client referrals.

### **Directed Brokerage**

STA requires that all START Platform clients to maintain their investment assets at Schwab. Avidian does not permit clients to direct their brokerage to other broker-dealers.

### **Order Aggregation**

To the extent that Avidian provides investment management services to its clients, the transactions for each client account generally will be affected independently, unless Avidian decides to purchase or sell the same securities for several clients at approximately the same time. Avidian may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Avidian's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Avidian shall not receive any additional compensation or remuneration as a result of such aggregation.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **START Program**

*(See Avidian Wealth Solutions ADV 2A for information on review of Managed Accounts)*

Clients in the START Platform program are entitled to an account review at least annually. In addition, they will receive a copy of our Weekly Market Report.

Through the use of trading and investment software programs, managed account holdings are compared to the selected portfolio model for allocation purposes, as well as monitored for performance. Members of the investment team discuss the performance of each model in a

weekly investment committee meeting. Avidian personnel generally contact clients annually to schedule an in-depth portfolio review with one of the advisors. Clients are also provided access to the Avidian Client Portal, where they may obtain reporting on their performance and other account information.

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

Except as stated below, Avidian does not, nor do any of its principals or employees, receive an economic benefit such as sales, awards, or other prizes, from non-clients for providing advisory services to its clients. In addition, Avidian does not compensate third parties for client referrals.

##### Other Compensation and Arrangements

An Advisor of Avidian receives compensation from Midwest Trust Company. In these few instances, the advisor receives a portion of the investment management fee that Midwest Trust Company charges certain clients for management of assets received in a litigation settlement. In such cases the Avidian advisor is not considered the investment manager and does not have discretionary authority. The payments range from 25% to 35% of the annual fee charged by Midwest Trust and are paid quarterly to the advisor.

As indicated at Item 12 above, Avidian may receive from Schwab and/or Fidelity without cost (and/or at a discount), support services and/or products. Avidian's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as result of this arrangement. There is no corresponding commitment made by Avidian to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangements.

#### **ITEM 15 - CUSTODY**

Avidian is deemed to have "custody" of managed accounts for the following reasons:

- Because Avidian generally has the authority to instruct the account custodian to deduct the management fee directly from the client's account. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements show the deduction of the management fee from the account.
- Because some managed account clients have set up standing letters of authorization allowing third-party money movement transfers. Please note: Client must complete and sign the account custodian form prior to any third-party money movement. Also, Avidian may only direct the movement of funds via check or ACH from one account in the client's name to another account with like registration. All wire transfers require the client to complete and sign the account custodian money movement form indicating the receiving beneficiary account information.
- Because Avidian or its affiliate(s) serve as the general partner and/or investment advisor to the Premier Fund and the Avidian Real Estate Fund 1, LP, they are also deemed to have custody of those assets.

When clients receive their account statements from the custodian, they should carefully review those statements. If clients receive account statements from Avidian, they are reminded to



compare the statements from Avidian with the account statements from their custodian. Clients should contact both Avidian and the custodian if there are unexplained discrepancies.

Additionally, Avidian engages an outside auditor to conduct an annual audit and/or surprise examination of the private funds' financial statements. Although Avidian attempts to deliver the audited financials to all Premier Fund and Avidian Real Estate Fund investors within 180 days of the fund's fiscal year end, delivery in the past has been delayed due largely to the fact that not all fund managers of the underlying funds and/or private equity issuers report to the fund on time. The Avidian Real Estate Fund and the Premier Fund assets are in the custody of a qualified custodian which is sending investors quarterly statements.

#### **ITEM 16 - INVESTMENT DISCRETION**

Avidian's primary practice allows for discretionary authority to manage accounts on behalf of its clients. Clients provide Avidian with a limited power of attorney granting trading authority and authority to instruct the custodian to withdraw its investment management fee on a monthly or quarterly basis (according to the investment advisory agreement). Avidian determines, for all clients, what securities are to be purchased and sold, how much, when, and negotiates commissions with the account custodians.

This authority is granted for managed accounts through the investment advisory agreement each client executes with Avidian. This authority is granted to Avidian for proprietary private funds by the limited partnership agreements.

Managed account clients may limit Avidian's discretionary authority by imposing reasonable restrictions as part of their investment advisory agreement with Avidian. Avidian in its sole discretion may determine whether any requested restriction is reasonable.

As stated in Item 4 of the Avidian Wealth Solutions Part 2A in very limited circumstances will manage an account on a non-discretionary basis.

Participate in an unaffiliated private placement is considered non-discretionary as the client must complete a separate subscription document with issuer of the offering.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

Avidian does not vote client proxies in the Program. Schwab will make all voting decisions.

#### **ITEM 18 - FINANCIAL INFORMATION**

Avidian Wealth Solutions, LLC obtained financial assistance by participating in the Paycheck Protection Program ("PPP") established by the U.S. Small Business Administration ("SBA"). Avidian's participation in the PPP was in anticipation of the need for assistance with business expenses due to the COVID-19 pandemic. These loans are eligible for forgiveness, although not guaranteed, as it will be based on factors such as being used for payroll, overhead of the firm, and other allowable expenses.

**ANY QUESTIONS: Avidian's Chief Compliance Officer, Hope Edick, remains available to address any questions regarding this Part 2A.**

