

**Garden State Investment  
Advisory Services**

**Wrap Fee Program Brochure**  
**GSIAS as Portfolio Manager**

**GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC**  
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This brochure provides information about the qualifications and business practices of Garden State Investment Advisory Services, LLC (“GSIAS”). If you have any questions about the contents of this brochure, please contact us at 732-280-6886 and/or [compliance@gardenstatesecurities.com](mailto:compliance@gardenstatesecurities.com).

GSIAS is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about GSIAS also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). SEC registration does not imply a certain level of skill or training.

## Item 2 – Material Changes

There are no material changes to report from the date of our last filed brochure dated March 31, 2020.

## Item 3 – Table of Contents

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## Item 4 – Services, Fees and Compensation

### A. Description of Services

GSIAS offers ongoing portfolio management services based on the clients' goals, objectives, time horizon and risk tolerance. GSIAS participates in and sponsors wrap fee programs, which means GSIAS will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. GSIAS will charge clients one fee and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Also excluded from the wrap fee are fees that GSIAS receives from the client's participation in the Insured Deposit Program through Axos Clearing, LLC ( "Axos" or the "Custodian"), which fee potentially reduces the return on cash held in the account.

The fee schedule is set forth below:

<u>Total Account Value</u>	<u>Total Annualized Fee</u>
\$0 to \$500,000	2.00%
\$500,001 to \$1,000,000	1.75%
\$1,000,001 to \$2,000,000	1.50%
\$2,000,001 to \$3,000,000	1.25%
\$3,000,001 and up	1.00%

Unless otherwise noted, the annual fee is negotiable between us and is payable monthly in arrears. The fees are based on the market value of the account(s) on the last business (trading) day of the previous month. The fee for portfolio management will be charged as an annual percentage of assets under management, according to the schedule shown for each program. Fees are prorated for any billing period that is less than a complete month, and the fee is adjusted proportionately based on the value of cash or securities added to or withdrawn from the account between billing periods. Your account agreement with us authorizes us and your account custodian to deduct fees from your managed account and pay the fees directly to us. If you choose to close your account within the first year (twelve-month period), GSIAS will not assess a termination fee.

### B. Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### **C. Additional Fees**

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees.

### **D. Compensation Resulting from Client's Participation**

Neither GISAS, nor any advisor or representatives of GSIAS receive any additional compensation beyond advisory fees for the participation of clients in the wrap fee program, other than those identified as separate fees, above. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, GSIAS may have a financial incentive to recommend the wrap fee program to clients.

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

GSIAS provides its wrap fee program services to the following types of clients: individuals, high net worth individuals, trusts, estates, retirement plans, and small businesses. There is no minimum account size to open an account and there is no minimum account size for participation in the wrap fee program. .

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

### **A. Selection of Portfolio Managers**

GSIAS will not select any outside portfolio managers for management of the wrap fee program. GSIAS will be the sole portfolio manager for the wrap fee program.

### ***Standards Used to Calculate Portfolio Manager Performance***

GSIAS will use industry standards to calculate portfolio manager performance.

### ***Review of Performance Information***

GSIAS reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed on a periodic basis and no less frequently than annually.

### **B. Related Persons Acting as Portfolio Manager**

GSIAS and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses GSIAS' management of the wrap fee program. However, GSIAS addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

## **C. Our Advisory Business**

### ***Wrap Fee Portfolio Management***

GSIAS offers ongoing portfolio management services based on the clients' goals, objectives, time horizon and risk tolerance. These services may be managed on a discretionary basis by the IAR, as set forth in your Agreement with us. Trades are affected through, and your cash and securities are held by Qualified Custodian. Your GSIAS adviser representative works closely with you to determine your investment objectives and financial goals based on an understanding of your investment needs and objectives gained from the consultation process and your completion of a Risk Profile Questionnaire. This service is available to individuals, employee benefit plans, trusts and estates, businesses and other suitable investors. To participate in these programs, you are required to pay a monthly wrap fee, based upon the amount of assets under management, for the following services: (i) an initial analysis, and periodic re-evaluation of your investment objectives and needs; (ii) discretionary investment advisory and portfolio management services; (iii) periodic account reports and portfolio reviews; (iv) transaction fees, e.g. brokerage, for securities transactions effected through our custodian, (subject to certain exceptions such as exchange fees, taxes, and fees required by law (called "Regulatory Fees" or "Handling Fees"), and (v) asset custody and other account-related services. The wrap fee, based on the assets in your account, is negotiable between you and us. Fees are calculated as a percentage of the account value as of the last business day of the preceding month.

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

GSIAS does not accept performance-based fees or other fees that are based on a share of capital gains or capital appreciation of the assets of a client.

### ***Services Limited to Specific Types of Investments***

GSIAS offers investment advice with respect to mutual funds, equities, fixed income securities, exchange traded funds, and annuities. Other securities may be used when deemed appropriate for the particular client and consistent with the client's investment objectives and risk tolerance.

### ***Client Imposed Restrictions***

Clients may impose restrictions with respect to certain securities or certain types of securities that they want to own in their account. Such restrictions will be reduced to writing and they will be honored by GSIAS to the extent the restriction does not prevent GSIAS from performing its responsibilities as set forth in the Advisory Agreement or the restriction would require to GSIAS to deviate from its normal course of business as described in this Brochure. In either event, GSIAS may unilaterally terminate the relationship.

### ***Methods of Analysis and Investment Strategies***

GSIAS utilizes fundamental analysis which examines earnings, dividends, new products and research (our own and third-party research provided by investment banks and brokerages), and we review corporate filings, including company audited financial statements. Our firm will make long term

purchases (securities held at least a year) and short-term purchases (securities sold within a year). Generally, there is more risk involved in shorter term trading.

### ***Risk of Loss***

#### ***Material Risks Involved in Fundamental Analysis***

Investing in securities involves risk of loss that clients should be prepared to bear. While the securities markets may increase and your account could enjoy a gain, it is also possible that the securities markets may decrease, and your account could suffer a loss. It is important that you understand the risks associated with investing in the markets, are appropriately diversified in your investments, and ask us any questions you may have.

#### ***There is No Performance Guarantee***

Investments in securities involve risk of loss of principal that you should be prepared to bear. Various clients have varying degrees of risk tolerance and you should understand the potential risk of loss and how that loss may impact your overall financial situation before investing through us. There is no guarantee that our advisory services will result in your goals and objectives being met. Nor is there any guarantee of profit or protection from loss. No assumption can be made that the wrap fee arrangement described in this Wrap Fee Program Brochure will provide a better return than other less sophisticated investment strategies.

#### ***Risks of Specific Securities Utilized***

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in them. All mutual funds have costs that lower investment returns. The funds can be of bond nature (fixed income, lower risk) or stock nature (equity).

**Equities:** Equity investment generally refers to buying shares of stock in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed Income:** Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk (an inverse relationship between interest rates and bond prices, with long-term bonds experiencing the greatest impact). Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious metals ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physically metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which owns a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities:** Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments – they are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risk, similar to mutual funds.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Voting Client Securities***

GSIAS does not accept authority to vote client securities. Clients will receive shareholder proxy information directly from the Custodian and should take any action with respect to voting of securities that are deemed to be in their best interest.

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

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, income level, and client-imposed restrictions, if any) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

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

GSIAS places no restrictions on clients’ ability to contact their portfolio managers.



## Item 9 – Additional Information

### A. Disciplinary Information and Other Financial Industry Affiliations

#### *Disciplinary Information*

In December 2017 our broker/dealer affiliate, Garden State Securities, Inc. (“GSS”), entered into an Administrative Consent Order (the “Order”) by the New Jersey Bureau of Securities which resolved an investigation into GSS’ handling of a brokerage account maintained by a private entity charged with responsibility for providing water to the greater Newark, New Jersey area, in which the Bureau alleged that GSS did not adequately supervise the representative handling that account, among other allegations. The Order required the payment of a fine of \$275,000 over time and the retention of an independent consultant to review the adequacy of the Firm’s supervisory policies, systems, procedures and training.

In December 2017 our broker/dealer affiliate, GSS, entered into an Agreement and Order with the Idaho Department of Finance (the “Department”) which resolved an investigation by the Department that GSS did not adequately supervise the activities of one of its representatives who had previously resided and operated a branch office in Idaho. The settlement, which was entered into without GSS admitting or denying the allegations, resulted in the issuance of an Agreement and Order which required the Firm to pay a \$10,000 penalty to the Department, which was paid on December 19, 2017.

In January 2016 our broker/dealer affiliate, GSS, entered into a Consent Order with the State of Alaska Division of Banking and Securities which resolved a Cease and Desist Order arising from a former representative’s solicitation of a securities transaction with an Alaska resident while not registered to conduct securities business in Alaska, and GSS’s alleged failure to supervise this former representative. GSS agreed to withdraw its broker/dealer registration in Alaska and pay a civil penalty of \$25,000.

In June 2015 our broker/dealer affiliate, GSS, entered into an Offer of Settlement with FINRA which resulted in an Order of Settlement resolving a disciplinary complaint which charged GSS with violations of certain FINRA and NASD rules. Without admitting or denying the allegations, GSS agreed to pay a fine of \$85,000 and a censure.

In March 2014 Mr. Steven Trigili, the Chief Compliance Officer for GSIAS and GSS, resolved an administrative proceeding with FINRA through an Acceptance, Waiver and Consent (“AWC”) which alleged that Mr. Trigili failed to report certain written customer complaints in a timely basis, and ensure that various events were reported to individual registered representatives’ Forms U-4. The matter was resolved by Mr. Trigili agreeing to the payment of a \$17,500 administrative fine and a censure.

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

GSIAS's four owners are also the owners of Garden State Securities, Inc. ("GSS"), an SEC registered securities broker/dealer and member of the Financial Industry Regulatory Authority ("FINRA"). Each of the owners is also a registered principal and representative of GSS. Many of our adviser representatives are also securities registered representatives with GSS who conduct general securities transactions on behalf of brokerage clients, some of whom may also be GSIAS clients. The two firms share administrative offices, personnel, services and equipment. The advisory clients are required to open an account at one of two custodians that are utilized through which all managed account investments will be transacted and client securities are custodied.

Many of GSIAS's adviser representatives are also life/health insurance agents with an affiliated general insurance agency, Garden State Insurance Agency, Inc. ("Garden State Insurance"), as well as other unaffiliated third-party insurance agencies. When our adviser representatives effect transactions in insurance products, other than as noted herein, they will earn commissions for these activities. Adviser representatives may make differing recommendations with respect to the same insurance products to different advisory clients. All recommendations made by adviser representatives, while acting in their separate capacities as insurance agents, are specific to each client's individual needs and current financial situation. Clients will be notified in advance of sources of compensation. Clients are also advised that they are under no obligation to purchase insurance products through GSIAS or its agents.

Additionally, GSIAS's licensed independent insurance agents may offer life, disability, fixed annuities, and long-term care insurance from a variety of product sponsors for which they may earn commissions. It is expected that clients to whom are offered advisory services may also be clients for whom our advisor representatives will transact insurance business. Clients are advised that fees paid to GSIAS for advisory services are separate and distinct from any commissions earned by individuals who are licensed insurance agents when placing the client in insurance products. Clients are advised that they are under no obligation to utilize insurance agents associated with GSIAS for insurance services.

The amount of time our adviser representatives will spend in these various capacities will fluctuate from time to time, but it is estimated that the majority of their professional time will generally be spent providing advisory services through GSIAS.

## **B. Code of Ethics, Additional Information**

### ***Code of Ethics***

Pursuant to SEC Rule 204A-1, we have adopted a Code of Ethics (Code) to establish rules of conduct for all Supervised Persons (as defined by the Code). The Code is based upon the principle that we and our Supervised Persons have a fiduciary responsibility to you to conduct our affairs, including our personal securities transactions, in such a manner as to avoid (i) serving our own personal interests ahead of yours; (ii) taking inappropriate advantage of our positions and; (iii) any unacceptable actual or potential conflicts of interest or any abuse of our position of trust and responsibility. A copy of our Code of Ethics is available upon request by contacting our Compliance Department at 732-280-6886.

### ***Participation or Interest in Client Transactions***

We may affect riskless principal transactions through GSS, our affiliated registered securities broker/dealer for purposes of filling orders for our client accounts. Most of our investment adviser representatives are also registered representatives of GSS. As such, they are licensed to sell securities including, but not limited to, stocks, bonds, options, and mutual funds for separate commission-based compensation. Additionally, individuals who are appropriately licensed will also earn commission-based compensation for the sale of relevant insurance products, except as provided under “Variable Annuity Accounts,” above. All compensation received for securities and/or insurance transactions through GSS will be separate, yet customary for effecting these services and transactions. GSS will also derive compensation from any investment banking transactions in which our clients may choose to invest. We may make differing recommendations with respect to the same securities or insurance products to different advisory clients. All recommendations made are specific to each client’s individualized needs and current financial situation.

### ***Personal Trading***

Our principals, officers, employees, and adviser representatives may own an interest in, and buy or sell for our own accounts, the same securities which may be purchased or sold for your managed account. It is also possible that GSS may own certain of the same securities in its proprietary trading and other accounts as are recommended by your adviser representative. It is our policy that our associated persons shall not have priority over any client account in the purchase or sale of securities. Under certain circumstances, exceptions to the trading policy may be made. Our adviser representatives may give advice and take action in personal accounts that differs from advice provided to, or action taken with respect to clients and client accounts.

### ***Review of Accounts***

The adviser representative servicing your account is responsible for reviewing the account on a regular basis, including a review of account activity on a monthly and quarterly basis. Adviser representatives are supervised by a designated principal. This principal is obliged to review the accounts and is responsible for ongoing supervision of adviser activities. In addition, our Compliance Department utilizes various supervisory tools and reports to assist in identifying activity that may require further scrutiny and attention. System-generated alerts are designed to detect transactions in designed securities, excessive transactions, front-running, and the purchase of unsuitable investments. Clients may be sent an activity letter when and if the account activity reveals a change in trading pattern, a large number of transactions in a single month, or any other activity that may be inconsistent with the information that we have on file.

### ***Client Referrals***

GSIAS may enter into written arrangements with third parties to act as solicitors for GSIAS’s investment management services. Such arrangements generally provide for the payment of a fee to the solicitor. In order to comply with the SEC Adviser’s Act, a copy of the GSIAS ADV Part 2A Brochure and the terms of the solicitor’s compensation will be disclosed in writing to the prospective client and the prospective client will confirm in writing to GSIAS that they received

such information. Further, to the extent there are registration requirements for the solicitor, GSIAS will verify compliance.

### ***Other Compensation***

### ***Mutual Fund Fees and Expenses***

Any and all fees paid to us for investment advisory services are separate and distinct from any fees and expenses charged by mutual funds to their shareholders. Fees and expenses charged by mutual funds 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. Your IAR may receive a portion or all of this sales charge/commission in their separate capacities as registered representatives of GSS.

Any management fees imposed by the mutual fund are separate and distinct from our management fees described herein. Mutual fund management fees imposed by the mutual fund are known as 12b-1 fees and they reduce a fund's overall return. We do not allow the purchase of mutual fund shares that pay 12b-1 fees.

You may also have the ability to invest in a mutual fund directly, without utilizing our services. If you choose to invest directly with a mutual fund company, you will not receive the advisory services that we provide, which are designed among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial goals and objectives. Accordingly, you should review the fees charged by both the mutual fund companies as well as our fees to fully understand the total amount of fees you will be paying.

### ***Mutual Fund Trailers***

In the event you transfer in a mutual fund that pays a 12b-1 "trailer" commission, the 12b-1 fee will be rebated to you.

### ***Economic Benefits Provided by Third Parties***

GSIAS participates in TD's institutional customer program and GSIAS may recommend TD to Clients for custody and brokerage services. This program is offered through TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

There is no direct link between GSIAS' participation in the program and the investment advice it gives to its Clients, although GSIAS receives economic benefits through its participation in the program that are typically not available to TD retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving GSIAS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction

fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to GSIAS by third party vendors.

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

GSIAS also receives an economic benefit from Axos; specifically the benefit of receiving wrap fee billing services through a third-party vendor, Refinitiv. For this service, GSIAS is charged on the total assets under management held at Axos on a monthly basis. This benefit is not based on the number of trades that are executed by Axos but it does present a potential conflict of interest. GSIAS's receipt of this and other economic benefits from Axos and TD does not diminish its duty to act in the best interests of its Clients, including seeking best execution of trades for Client accounts.

### ***Financial Information***

Not applicable.

### **Item 10 – State-Registered Advisers**

Not applicable.