

Item 1 – Cover Page

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March 29, 2021

This Brochure provides information about the qualifications and business practices of NewSquare Capital LLC (“NewSquare”). If you have any questions about the contents of this Brochure, please contact us at (877) 313 1343. 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.

NewSquare is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year (December 31<sup>st</sup>). We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time without charge.

Since the date of the last Brochure, July 28, 2020, material amendments have been incorporated into the Brochure:

- Item 4 has been amended to disclose NewSquare representatives conflict of interest / affiliation with PCS Capital

Currently, our Brochure may be requested by contacting Matt Wilson at 610 325 6117. Our Brochure is also available on our web site [www.newsquarecapital.com](http://www.newsquarecapital.com), also free of charge.

Additional information about NewSquare is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with NewSquare who are registered, or are required to be registered, as investment adviser representatives of NewSquare.

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#### Item 4 – Advisory Business

NewSquare became registered with the Securities and Exchange Commission on January 13, 2010 and commenced business as an investment adviser on that date.

NewSquare's Principal Owners are as follows:

Joseph Vincent Naselli  
The Eleanor Mae Daniels Trust  
Gary Earl Daniels Trustee  
Jesse Hart Daniels Trustee  
Claire Daniels Trustee

The managers of NewSquare are as follows:

Joseph S. Rizzello, Chief Executive Officer

Mr. Rizzello brings substantial industry experience and expertise to the NewSquare Capital organization. He's been instrumental in building the advisor into a major investment management firm. Joseph is recognized as an industry innovator and was prominent in the lead-up to the creation of exchange-traded funds (ETFs), a security type that is experiencing explosive growth today.

As NewSquare Capital's Chairman, Mr. Rizzello caps a distinguished 40+ year career in financial services, including senior positions with top-tier organizations that include: CEO, Board Chairman of the National Stock Exchange, Jersey City; co-founder of The Mind Capital Group, Philadelphia; President of Pershing Trading Company, Jersey City; a principal in charge of Vanguard Brokerage Services, Malvern Pa; and Executive Vice President of the Philadelphia Stock Exchange.

Christy L Hart, Director of Operations

In her former role as a Client Experience Consultant at Creative Financial, Christy worked with high net worth clients and businesses, tailoring each service plan to build and sustain strong client relationships. She was integral in many areas, including identifying and addressing client needs, connecting clients to thought

leadership and events, and implementing firm-wide project management.

Christy is a graduate of West Chester University where she earned Bachelors of Science Degree in Elementary Education.

Ryan Kirk, CFA, Senior Portfolio Manager

Ryan is in charge of the day-to-day trade management of all NewSquare Portfolios. He works closely with all team members supporting the daily management of all accounts. Other responsibilities include monitoring asset allocation, monitoring cash balances, account rebalancing and trade execution, account reporting, and research. Ryan has over 10 years of experience in the financial industry. Prior to joining NewSquare Capital, he gained his initial experience at Aberdeen Asset Management. He holds a BS in Business Management from the University of Scranton. He has earned the Chartered Financial Analyst (CFA) designation and is a member of the CFA Society of Philadelphia.

Lee S. Grout, CFA, Senior Portfolio Manager

With 25+ years in the investment industry, Lee joined NewSquare at the end of 2019. As the portfolio manager for several of NewSquare's portfolios, Lee oversees both investment research and portfolio management for solutions that are designed to meet a wide range of investor needs.

Lee was most recently Portfolio Manager at Chartwell Investment Partners, Berwyn, Pennsylvania. Prior to that, he spent 14 years as Portfolio Manager and Head of Investment Research at the Killen Group, Inc., also in Berwyn. He served as Secretary of the Board of Directors and held an ownership interest in the firm. Lee's investment research career dates from 1994, when he joined McCabe Capital Managers, King of Prussia, Pennsylvania, as a research analyst. He started his investment industry career in 1993 as a Mutual Fund Accountant with SEI Corporation in Oaks, Pennsylvania.

Lee is a Chartered Financial Analyst and a member of the CFA Institute and CFA Society of Philadelphia. He earned a Bachelor of Business Administration degree in Finance from Bishop's University, Lennoxville, Quebec.

Miguel L. Biamon, Senior Fixed Income Portfolio Manager

Miguel started with NewSquare in July 2018 and brings with him over 20+ years of industry experience. He manages our fixed income portfolios as well as bond trading. Miguel previously worked at M&T Bank, Bryn Mawr Trust and Blue Bell Private Wealth Management.

Matthew Wilson, Chief Compliance Officer

Matt Wilson has been the NewSquare CCO since April 1, 2016. He succeeds William R. Meck who had previously served as CCO. Matt served as assistant CCO since the founding of NewSquare in 2010. He attended Pennsylvania State University and received a Bachelor of Science Degree (Finance) in 2000. Matt is responsible for the top-down design of all RIA-related compliance procedures and their implementation.

NewSquare's advisory services are provided as part of a wrap fee program (the "Program") and are mainly focused around designing and implementing diversified portfolios of primarily exchange traded funds, individual equity securities and selected fixed income securities. These services are tailored to each client based on their unique goals and objectives. The Portfolios are strategic asset allocation portfolios with global diversification. Considerations include risk tolerance, time horizon, income needs, liquidity needs, tax sensitivity, and other factors.

NewSquare will offer clients the ability to invest on a discretionary and/or non-discretionary basis in portfolios of primarily exchange traded funds, individual equity securities and fixed income securities. Each client will receive individual service based on their needs and risk tolerances. Clients may impose restrictions on investing in certain securities or types of securities. NewSquare will continue to render advisory services to the client relative to the ongoing monitoring and review of the client account.

Under the Program, assets are held in a brokerage account at Schwab Advisor Services ("Schwab"),

TD Ameritrade Institutional ("TD Ameritrade") or Fidelity Brokerage Services, LLC ("Fidelity"). This account shall be known as the Program Account. Beginning in 2017, NewSquare underwent a transition of custodians. Accounts were transitioned from MML Investor Services ("MMLIS") to Schwab. All new accounts will only be opened at Schwab, TD Ameritrade or Fidelity. Any account left at MMLIS after March 31, 2018 has been moved to a standard brokerage account and no longer managed by NewSquare Capital.

As part of the Program, NewSquare has entered into a co-advisory agreement with MMLIS pursuant to which the two companies act as co-advisors to clients who open investment advisory accounts at NewSquare. Per the terms of the Co-Investment Advisory Agreement, MMLIS is generally responsible for the initial and ongoing day-to-day relationship with the client, including the initial and ongoing determination of client suitability for NewSquare's asset allocation strategies. In such co-advisory engagements, NewSquare is responsible for managing the client's assets consistent with one or more of its asset allocation strategy(ies), as communicated to by MMLIS. This Brochure describes NewSquare's duties and responsibilities. For a description of MMLIS' duties and responsibilities, please see MMLIS' Form ADV 2A Brochure.

The client relationship is typically managed by Investment Adviser Representatives ("IARs") of MMLIS and by the management and employees of NewSquare. IARs, with the assistance of NewSquare management or employees if requested, generally meet with clients, discuss the clients' goals and objectives and assist the clients in the development, management and implementation of the clients' wealth management program. IARs do not, however, manage NewSquare portfolios for clients. Rather, NewSquare portfolios are managed by Portfolio Managers of NewSquare.

In limited instances, the client can retain NewSquare directly to manage client's assets, generally on a discretionary basis, in such a

manner based upon the goals, objectives, and risk tolerance of the client. In such relationships, the client would execute a Discretionary Investment Management Agreement with NewSquare and a Brokerage Account Agreement with Schwab, TD Ameritrade or Fidelity (Program Account).

Advisory services are offered to individuals, businesses, trusts and employee benefit plans. These portfolios will be managed by NewSquare, generally on a discretionary basis. NewSquare is both the sponsor and the portfolio manager of the Program and the Program is structured as a wrap account. A wrap account is a type of individually managed account in which most expenses that are typical of a managed account are combined into one (a wrap) fee. This includes the management fee, the brokerage commissions, custodial fee and other expenses. The wrap fee does not cover certain fees such as markup/markdowns, transfer of asset fees, reorganization fees, wire or check fees.

ERISA PLANS: NewSquare may also be engaged by Plan sponsors to provide non-discretionary and discretionary advisory services to ERISA retirement plans. In such event, NewSquare would serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA")-either a 3(21) fiduciary for non-discretionary engagements or a 3(38) fiduciary for discretionary engagements. In either engagement, NewSquare will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and NewSquare.

#### **CONFLICTS OF INTEREST AND MISCELLANEOUS DISCLOSURES:**

NewSquare may perform advisory services for various clients and may give advice or take actions for another client that differs from the advice given or the timing or the nature of any action taken for the Account.

**Incentive Units and Other Benefits: Conflicts of Interest:** Regardless of whether a client engages NewSquare directly, or, in its co-advisory capacity with MMLIS, the client's MMLIS IAR is compensated with a portion of the Program fee. In addition to a portion of the Program fee, the IAR can also receive *Sale of Company* incentive units from NewSquare (the "*Units*"). The *Units* provide the IAR with non-voting, company liquidation participation units, upon the sale of NewSquare or the IAR's death, disability, or retirement. The receipt of the *Units* provide the IAR with an economic incentive to allocate client assets to the Program. Because of this economic incentive, the IAR has a conflict of interest when allocating assets to the Program. In addition, MMLIS IARs who allocate more than \$25million of assets to the Program qualify to receive bonus compensation from NewSquare. The potential for receipt of bonus compensation presents an added conflict of interest by providing the IAR with an incentive to allocate more assets to the Program. Separate from the *Units*, NewSquare can, from time to time, provide additional benefits to the IARs, the providing of which by NewSquare, and receipt of which by the IARs, also presents a conflict of interest. The benefits can include occasional business entertainment including meals, invitations to sporting events, including golf tournaments and other forms of entertainment, some of which can accompany educational opportunities or guest speaker events. **Please Note:** No prospective client is required to allocate assets to the Program. **ANY QUESTIONS:** NewSquare's Chief Compliance Officer, Matthew Wilson, remains available to address any questions regarding the above conflict of interest. ***PLEASE also see disclosure set forth on MMLIS's written disclosure Brochure (Part 2A of Form ADV) regarding incentives provided to its IARs.***

**Wrap Program-Conflict of Interest.** NewSquare provides services on a wrap fee basis as a wrap program sponsor. Under NewSquare's wrap program, the client generally receives investment

advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. When managing a client's account on a wrap fee basis, NewSquare shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in NewSquare's Wrap Fee Program Brochure.

**Conflict of Interest:** Because wrap program transaction fees and/or commissions are being paid by NewSquare to the account custodian/broker-dealer, NewSquare could have an economic incentive to minimize the number of trades in the client's account. See separate Wrap Fee Program Brochure. **Please Note:** This conflict of interest does not apply to accounts managed under an Asset-Based Pricing Arrangement, as further detailed below. At this time, NewSquare has all accounts setup as Transaction-Based Pricing due to zero cost commission / transaction fees with the custodians.

**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 NewSquare recommends that a client roll over their retirement plan assets into an account to be managed by NewSquare, such a recommendation creates a conflict of interest if NewSquare will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by NewSquare.

#### **Sub-Advisor / Separate Account Manager**

**Services:** NewSquare may serve as a: (1) sub-adviser to unaffiliated registered investment advisers; and/or (2) as a separate account manager on a custodian's investment platform. With respect to these two types of engagements, the unaffiliated investment advisers that engage NewSquare's sub-advisory services and/or assist their clients in selecting NewSquare as a separate account manager, maintain both the initial and ongoing day-to-day relationship with the underlying client, including the initial and ongoing determination of client suitability for NewSquare's investment strategies. NewSquare's obligation shall be to manage the client's account consistent with the investment strategy designated by the unaffiliated investment adviser. In addition, for all such engagements, NewSquare does not generally have the ability to choose and/or determine: (1) the custodian and/or broker-dealer for the client's account; (2) whether the services are part of a wrap program or provided on an unbundled basis; or (3) program and/or transaction cost pricing. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by NewSquare. Higher fees and transaction costs adversely impact account performance.

#### **Unaffiliated Wrap/Separate Managed Account programs services:**

NewSquare may be engaged to provide investment advisory services as part of an unaffiliated wrap-fee program/managed account platform. In these type of engagements, the unaffiliated investment advisers that engage NewSquare's services shall maintain both the initial and ongoing day-to-day relationship with the underlying investor, including initial and ongoing determination of the of the investor's suitability for NewSquare's designated investment strategies. In addition, since the custodian/broker-dealer is determined by the unaffiliated program/platform sponsor, NewSquare will be unable to negotiate commissions and/or transaction costs, and/or

seek better execution. As a result, the investor could pay higher commissions or other transaction costs. Higher transaction costs adversely impact account performance.

**PCS Affiliation/Conflict of Interest:** NewSquare representative, Timothy Chisolm, is also an employee and owner of PCS, a retirement plan platform provider. Mr. Chisolm, and other NewSquare representatives based upon the quality of the PCS platform, recommend PCS to retirement plan clients for their consideration. No client is under any obligation to engage PCS. In the event that a NewSquare client engages PCS, no portion of PCS' fees are shared by PCS with NewSquare. However, given Mr. Chisolm's affiliation with PCS, he has an economic incentive to recommend PCS' services. This incentive presents a conflict of interest, since both PCS and Mr. Chisolm will benefit from such an engagement. ANY QUESTIONS: NewSquare's Chief Compliance Officer, Matthew Wilson, remains available to address any questions regarding the above conflict of interest.

**Portfolio Activity.** NewSquare has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, NewSquare will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when NewSquare determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by NewSquare will be profitable or equal any specific performance level(s).

**Non-Discretionary Service Limitations.** Clients that determine to engage NewSquare on a non-discretionary investment advisory basis must be willing to accept that NewSquare cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client.

Thus, in the event that NewSquare would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, NewSquare will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Donor-Advised Funds.** NewSquare may provide advisory services to donor-advised funds through an arrangement with Schwab Charitable™, an unaffiliated non-profit organization. Donor-advised funds allow clients to contribute assets to a charitable account which may provide tax benefits to the client and allow for the client to support their preferred charity(ies). The client will be responsible for certain administrative fees charged by Schwab Charitable™ and will be informed of any advisory fees charged against the donor-advised fund prior to NewSquare taking over management of the fund. NewSquare does not provide tax, legal, or accounting advice. Clients are advised to speak with the professional(s) of their choosing prior to directing NewSquare to contribute assets to a donor-advised fund. More information on Schwab Charitable™ can be found at [www.schwabcharitable.org](http://www.schwabcharitable.org).

**Asset-Based Pricing Arrangements and Limitations.** NewSquare charges an all-inclusive wrap fee to clients. NewSquare can set an account either as "Asset-Based" or "Transaction-Based" pricing with the broker-dealer / custodian and the cost of each is paid for by NewSquare and is part of the all-inclusive wrap fee charged to the client. Under an "Asset-Based" pricing arrangement, the broker-dealer/custodian charges a fixed percentage fee for all account commissions/transactions based on the amount of assets placed in custody and/or on the broker-dealer/custodian's platform, and not based upon the number of transactions executed. This fee is charged to and paid by NewSquare. Generally, in an Asset-Based pricing arrangement, the applicable fixed percentage fee decreases as the account value increases. In the alternative, the broker-dealer/custodian could charge a separate



commission/transaction fee upon the execution of an account transaction. This is referred to as a "Transaction-Based" pricing arrangement. Transaction fees paid will vary depending upon the number of and type of transactions that are placed for the account. In the wrap program transaction fees and/or commissions are being paid by NewSquare to the account custodian/broker-dealer, NewSquare could have an economic incentive to minimize the number of trades in the client's account. At this time, NewSquare has all accounts setup as Transaction-Based Pricing due to zero cost commission / transaction fees with the custodians.

Account investment decisions are often more heavily driven by security selection and anticipated market conditions, as opposed to the amount of commission/transaction fees payable to the account broker-dealer/custodian.

NewSquare charges an all-inclusive wrap fee and may request at any time to switch between Asset-Based pricing and Transaction-Based pricing arrangements with the broker-dealer/custodian, however, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Therefore, given the variances in trading volume and pricing arrangements, any decision by NewSquare to switch between Asset-Based or Transaction-Based pricing could prove to be economically disadvantageous, but that cost is the responsibility of NewSquare.

Assets under Management are calculated as of December 31, 2020.

Discretionary Assets:	\$919,645,735
Non-Discretionary Assets:	None
Total Assets:	\$919,645,735

### Item 5 – Fees and Compensation

The fees imposed by NewSquare are negotiated with the client in advance and are stated on the client's agreement as a percentage of assets under

management. NewSquare management fees are a component of the wrap fee charged to the client.

### PROGRAM FEE AND BILLING:

The first payment is prorated to cover the period from the date that the Account balance has reached \$5,000 through the end of the current calendar quarter. Fees are debited directly from the client's Program Account based on the fee schedule and begin once the account balance has reached \$5,000. Thereafter, the quarterly Program Fee will be paid at the beginning of each calendar quarter for such quarter and the fee will be based on the fair market value of the assets in the Account on the last business day of the preceding calendar quarter as calculated by NewSquare. Client will also be subject to a Program Fee for any additional lump sum contribution(s) in a calendar quarter equal to or greater than \$5,000. Client will pay for that portion of the ongoing quarterly Program Fee that relates to the number of business days remaining in the calendar quarter on the date of any additional contribution equal to or greater than \$5,000. Payment of the Program Fee will be made in the quarter following any such contribution and will be based on the amount of the contribution. Similarly, if Client withdraws \$5,000 or greater, then the Client will receive a pro-rated refund in the following quarter. Through NewSquare, the client instructs the Program Fee and other charges under this Program be deducted by The Program account from cash assets held in the account. If the Account does not have enough cash to pay for advisory and/or brokerage fees and charges, it is the responsibility of NewSquare to liquidate positions to cover any such fees or charges. In such cases, Client may face a taxable event, to which capital gains (or other) taxes apply.

For certain accounts, specific security exclusions from billing may be negotiated with client.

Client authorizes Schwab, TD Ameritrade and Fidelity to deduct all applicable fees from client's Program Account and all such fees will be clearly noted on Clients' brokerage statement provided to

the client no less than quarterly by Schwab, TD Ameritrade or Fidelity. Fee notifications will be provided to Client by the Program Account.

When engaging NewSquare, the client's total fee covers the services rendered by both NewSquare and the IAR. Thus, the Client's total management fee is a combination of both NewSquare's investment management fee and the IAR's service/advisory fee. For IARs registered with MMLIS, this IAR fee is determined by the IAR's applicable grid rate set by MMLIS for his/her/its ongoing advisory services.

The amount of the total management fee is determined by the IAR (within a total fee range not to exceed 175 basis points or 1.75%). For accounts opened before June 30, 2020, this fee includes the NewSquare Manager Fee as well as the MMLIS Advisory Fee. NewSquare retains a portion of this total fee in the form of an asset-based fee based on the assets under management at the time of billing. If applicable, NewSquare then remits the remaining portion of the total fee to MMLIS for payment to the IAR. After MMLIS has made payments to its IARs, MMLIS will retain a pre-negotiated portion of the remaining fee and will return any excess amount to NewSquare. Accounts opened July 1, 2020 or after, the fee is to be within a total range not to exceed 175 basis points or 1.75%. This fee will include the NewSquare Manager Fee, the MMLIS Advisory Fee, as well as the MMLIS Administrative Fee. NewSquare will retain its portion of the total fee in the form of an asset-based fee based on the assets under management at the time of billing. If applicable, NewSquare then remits the remaining portion of the total fee to MMLIS for payment to the IAR. MMLIS will make payment to their IAR and will retain any excess amount. The MMLIS Administrative Fee will be retained by MMLIS. It will be tiered pricing of 0.05% for balances below \$1,000,000 and 0.02% for balances over \$1,000,000.

The amount of the total management fee varies depending upon various objective and subjective factors, including the representative assigned to

the account, the strategy(ies) employed in managing the account, the amount of assets to be invested, legacy fee arrangements, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client. Thus, similar clients could pay different fees, which will correspondingly impact a client's net Account performance.

NewSquare's portion of the Program fee varies based on the strategy(ies) utilized in managing the Program Account in accordance with the below fee schedules:

Strategy	Annual Fee
Enhanced Cash Management	0.15%
Strategic Models	0.35%
ETF and Individual Bond Models	0.35%
MACRO Models	0.45%
Relative Strength ETF Models	0.45%
Total Return ETF	0.45%
Dividend Focus	0.45%
Relative Strength Individual Equity Models	0.65%

For each strategy utilized, the fee is applied to entire amount allocated to such strategy. NewSquare's portion of the Program fee can be reduced, considering factors, such as the amount of client assets invested with the firm. This fee arrangement is not applicable to Retirement Plan Consulting Agreements. For those plans, fees vary on a plan-by-plan basis.

**Fee Differentials.** As indicated above, NewSquare shall receive an investment advisory fee based upon a percentage (%) of the market value of the assets placed under management. However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the strategy(ies) employed in managing the account, the amount of assets to be invested, legacy fee arrangements, the complexity of the engagement, the anticipated number of meetings

and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by NewSquare to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

When an IAR receives a portion of the advisory fee charged to the client, a material conflict of interest arises, because an increase in the management fee paid by the client may result in increased compensation received by the IAR.

#### Additional Client Fees

In addition, other Schwab, TD Ameritrade and Fidelity brokerage account charges and fees (i.e. returned check fee, overnight charges, mark-up and mark-downs, ACH return check fee, etc) *may* apply to Program accounts. These charges and fees are disclosed in the Client Fee Schedule for brokerage accounts.

The Program Fee does not include special requests by clients or the internal management, operating or distribution fees or expenses imposed or incurred by Mutual Funds or ETFs. Clients should read each fund's or ETFs prospectus for a more complete explanation of these fees and expenses, which include fees for management, administration, shareholder servicing, distribution, transfer agent, custodial, legal, audit and other services. Clients may invest directly in mutual funds or ETFs (i.e., outside of the Program) without paying the Program Fee. Thus, it may be cheaper for clients to invest in the Mutual Funds and ETFs outside of the Program. However, clients will not receive the services provided under the Program if they choose to do so. NewSquare does not represent that the Program Fee a client pays is the same as or lower than that charged to other clients who invest in the Program or is the same as or lower than that charged by other sponsors of

comparable programs for accounts of comparable size or investment objectives.

#### TERMINATION:

Clients are required to sign a Schwab, TD Ameritrade or Fidelity Account Application to open a Program Account. This is in addition to the Investment Management Agreement clients sign to open an advisory account with NewSquare. Client and/or NewSquare may terminate the Investment Management Agreement at any time effective upon receipt of written notice by the other party.

Termination will not affect the validity of any action previously taken by NewSquare under the Agreement, liabilities or obligations of the parties from transactions initiated before termination, or the obligation of the client to pay fees and expenses incurred before termination. Termination will not automatically result in redemption or sale of any positions held in the program account, and the client may choose to continue holding the securities in a standard brokerage account.

On termination, NewSquare shall no longer have an investment advisory relationship with Client and will have no further obligation towards client for investment advisory services. Client will receive a refund of a pro-rata portion of any pre-paid, but unearned Program Fee paid for the current quarter. The amount refunded to Client will be based on the number of business days remaining in the quarter after the date of termination. However, a portion of the fee may be retained in Client's account sufficient to effect any open and unsettled transactions and to pay for any unpaid Program Fees, account debit balances, and other charges owed by the client. Client is responsible to pay for services rendered, and for transactions effected, up until the date of termination.

Unless Client has provided other instructions, upon termination, account assets will be moved to a standard brokerage account with Schwab, TD

Ameritrade or Fidelity. The assets therein will be subject to the fees and charges normally assessed by Schwab, TD Ameritrade or Fidelity on its brokerage accounts. The standard brokerage account is subject to the terms and conditions of the account agreement.

Item 12 further describes the factors that NewSquare considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

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

#### **Item 7 – Types of Clients**

NewSquare provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, Trusts, estates, charitable institutions, corporations, foundations, and endowments.

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

##### **Methods of Analysis**

NewSquare utilizes many methods of analysis to serve our clients' needs. Our security analysis methods include fundamental analysis, technical and cyclical analysis of the world economy, national economies, industry sectors and individual securities. Our main sources of information are asset allocation studies, global econometric analyses, annual reports, prospectuses and filings with the Securities and Exchange Commission and other regulators, financial newspapers and magazines, research prepared by others, corporate ratings services and company press releases.

Our investment strategies include long and short-term purchases, and trading (securities sold within 30 days).

##### **Investment Strategies and Risk of Loss**

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

NewSquare Capital, LLC is a U.S. registered investment adviser specializing in global asset allocation strategies using exchange traded funds ("ETFs"), individual equity securities and fixed income securities.

Investing involves risk, including possible loss of principal. Asset allocation strategies and diversification do not promise any level of performance or guarantee against loss of principal, and diversification may not protect against market risk.

NewSquare manages a proprietary family of investment strategies implemented primarily with Exchange Traded Funds ("ETFs"), individual equities and bonds. The portfolios seek to outperform their designated benchmark by raising and lowering asset class exposures, industry sector exposures, international country exposures, currency exposures, and various alternative asset class exposures to anticipate relative price movements. To this end, the portfolios utilize fixed income ETFs, individual fixed income securities, equity ETFs, international ETFs, currency strategy ETFs, and alternative class ETFs (including real estate, commodities, hedge fund strategies, private equity strategies, and potentially others) to adjust exposures where appropriate.

There are risks involved with investing in ETFs, including possible loss of money. Index-based ETFs are not actively managed. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Both index-based and actively managed ETFs are subject to risk similar to stocks, including those related to short selling and margin maintenance.

In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

Emerging markets and frontier markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. Narrowly focused investments typically exhibit higher volatility.

Real estate investments are subject to changes in economic conditions, credit risk and interest rate fluctuations.

Commodity-related investments are speculative and involve a high degree of risk. Commodities markets have historically been extremely volatile, creating the potential for losses regardless of the length of time an investment is held.

Bonds and bond funds will decrease in value as interest rates rise. Investment return and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost and potentially subject to capital gains taxes. Tax-exempt fixed income strategies invest in securities designed to pay income that is exempt from certain income taxes, but a portion of the income may be subject to federal or state income taxes or the alternative minimum tax. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value.

The Relative Strength Individual Equity Dividend and Growth portfolios are managed using individual equities and can hold anywhere from 0-100% equities or cash (or Fixed Income type position) depending on the relative strength of position as determined by NewSquare.

**Pledged Asset Accounts** – Although generally not recommended by NewSquare, some custodians will permit clients to open pledged asset accounts. Pledged asset account permit an investor to access cash by pledging their securities as collateral. NewSquare will not open a pledged asset account on behalf of a client, but may assist the client in opening such an account at the client's request. All clients are strongly advised to carefully consider the risks posed by pledged asset accounts prior to pledging assets. If a pledged asset line becomes deficient, the custodian reserves the right to liquidate positions to cover the deficiency, potentially resulting in a taxable event.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NewSquare or the integrity of NewSquare's management. NewSquare has no legal or disciplinary events or history that is applicable to this Item.

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

**Broker Dealer.** Certain of NewSquare's associated persons are registered representatives of MMLIS, a FINRA member broker-dealer. Clients can choose to engage NewSquare's associated persons, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Conflict of Interest:** The recommendation that a client purchase a commission product from MMLIS presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from NewSquare's associated persons.

**Other Investment Adviser.** NewSquare's associated persons are investment adviser representatives MMLIS, a registered investment

adviser. Neither NewSquare nor its representatives will refer its clients to MMLIS to receive investment advisory services.

**Conflict of Interest:** The recommendation by NewSquare or its representatives that a client seek investment advisory services from MMLIS presents a potential conflict of interest, as NewSquare could have the incentive to make such a recommendation based on fees received from that client, rather than on a particular client's need. Accordingly, NewSquare and its representatives do not generally refer clients to MMLIS to receive investment advisory services. Clients are reminded that they are not under any obligation to pursue investment advisory services from MMLIS.

**Licensed Insurance Agents.** Certain of NewSquare's associated persons, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage these representatives to effect insurance transactions on a commission basis.

**Conflict of Interest:** The recommendation by NewSquare's associated persons that a client purchase a securities or insurance commission product presents a material 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 NewSquare's associated persons. Clients are reminded that they may purchase insurance products recommended by NewSquare through other, non-affiliated insurance agents.

**Conflict of Interest:** Certain of NewSquare's associated persons are also owners and representatives of The Investment Lab, LLC, ("TIL") a registered investment adviser that is affiliated with NewSquare through common control. NewSquare compensates TIL for the use of TIL's investment models in the management of certain client accounts. Any such compensation is

paid directly from the assets of NewSquare and does not result in an additional fee to any NewSquare client. In addition, NewSquare does not recommend that clients directly engage TIL for investment advisory services. Accordingly, it is not expected that this affiliation will present any conflicts of interest for clients of NewSquare. However, to the extent a conflict of interest presents itself, such conflict will be fully disclosed to the client.

#### **Item 11 – Code of Ethics**

NewSquare 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 NewSquare must acknowledge the terms of the Code of Ethics annually, or as amended.

NewSquare anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which NewSquare has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NewSquare, its affiliates and/or clients, directly or indirectly, have a position of interest. NewSquare's employees and persons associated with NewSquare are required to follow NewSquare's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of NewSquare and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for NewSquare's clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of NewSquare 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 have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of NewSquare's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. 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 by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between NewSquare and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with NewSquare's 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. NewSquare 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.

NewSquare's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Matt Wilson at (610) 325-6117.

It is NewSquare's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. NewSquare will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may

also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Item 12 – Brokerage Practices**

NewSquare does not maintain custody of your assets that we manage. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Schwab, a FINRA-registered broker-dealer, member SIPC, as the qualified custodian or TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member or Fidelity Institutional, member FINRA/SIPC. We are independently owned and operated and not affiliated with Schwab, TD Ameritrade or Fidelity. Schwab, TD Ameritrade or Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab, TD Ameritrade or Fidelity as custodian/broker, you will decide whether to do so and open your account with Schwab, TD Ameritrade or Fidelity by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, TD Ameritrade or Fidelity, we can still use other brokers to execute trades for your account, as described in the next paragraph

NewSquare suggests its clients to custody its funds and securities and execute its transactions through Schwab, TD Ameritrade or Fidelity. Not all advisers require their clients to direct brokerage. The NewSquare management program is a wrap program. NewSquare acts as both the sponsor and the portfolio manager of the program. NewSquare has chosen Schwab, TD Ameritrade and Fidelity to effectuate the

NewSquare wrap program. Compensation to the various parties in a wrap program is apportioned through the wrap fee. The factors that we consider in reviewing the brokerage relationship include the average wrap fee and the quality of brokerage execution and the quality of client reports and services. Brokerage commissions are typically not a consideration in a wrap program because there are no transaction specific commissions. Execution quality means how well the trade is executed, generally whether the price is in line with other similar trades. NewSquare evaluates the quality of brokerage execution by monitoring a sample of our prices against the volume weighted average price ("VWAP") for that security, that day.

NewSquare has the capability to aggregate trades for multiple clients. Generally, this results in more efficient execution and standardization of price (purchase or sales). NewSquare will aggregate trades when it is advantageous to its clients to do so. There are occasions where aggregation is not advantageous to clients and in those circumstances, NewSquare will place individual orders.

#### **Accounts held at Schwab:**

NewSquare may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. NewSquare is independently owned and operated and not affiliated with Schwab. Schwab provides NewSquare with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are

maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For NewSquare client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to NewSquare other products and services that benefit NewSquare but may not benefit its clients' accounts. These benefits may include national, regional or NewSquare specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of NewSquare by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist NewSquare in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of NewSquare fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of NewSquare's accounts, including accounts not maintained at Schwab Advisor



Services. Schwab Advisor Services also makes available to NewSquare other services intended to help NewSquare manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to NewSquare by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to NewSquare.

#### Products and Services Available to Us from Schwab.

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage (trading, custody, reporting, and related services) many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

#### Services That Benefit You.

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

#### Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering

our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

#### Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers. Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

NewSquare also receives proprietary research from Schwab. When NewSquare receives proprietary research in connection with client securities transactions, we receive an economic benefit because we do not have to produce or pay for the research. In addition, at the onset of our

relationship, Schwab had agreed to provide payments to third party services and supplies, vendor support in an amount not to exceed \$200,000 for marketing, technology, consulting or research expenses. Also, Schwab had agreed to reimburse client accounts for charges incurred due to the transfer of account exit fees concerning the transition to Schwab. This agreement has since expired but was a benefit to NewSquare.

While, as a fiduciary, NewSquare endeavors to act in its clients' best interests, NewSquare's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to NewSquare of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Through NewSquare's relationship with Schwab, NewSquare clients can utilize Schwab Administrative Trust Services, provided by the Personal Trust Services Division of Charles Schwab Bank, a separate but affiliated company with Charles Schwab & Co, Inc. In addition, NewSquare clients can utilize Schwab Charitable to meet their additional planning needs.

#### Your Custody and Brokerage Costs - Schwab

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions (part of your Wrap Fee) or other fees on trades that it executes or that settle into your Schwab account.

In addition to commissions or asset-based fees Schwab charges NewSquare a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation NewSquare pays the executing broker-dealer. **Because of this, in order to minimize our trading costs, NewSquare may**

**have Schwab execute most trades for your account.**

#### **Accounts held at TD Ameritrade:**

The Advisor also participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is 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. The Advisor receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, The Advisor participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor 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 the Advisor by third party vendors. TD Ameritrade

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

#### **Accounts held at Fidelity:**

NewSquare has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides NewSquare with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like NewSquare in conducting business and in serving the best interests of their clients but that may benefit NewSquare. Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables NewSquare to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's

commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to NewSquare, at no additional charge to NewSquare, certain brokerage services research. The research available is standard research through the Wealthscape system. The brokerage services include services such as access to institutional trading and custody services; receipt of duplicate client statements and confirmations; research related products and tools; access to a trading desk serving the Advisor 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; and are used by NewSquare to manage accounts for which NewSquare has investment discretion. NewSquare may also receive additional services which may include discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. Without this arrangement, NewSquare might be compelled to purchase the same or similar services at its own expense. As a result of receiving such services for no additional cost, NewSquare may have an incentive to continue to use or expand the use of Fidelity's services. NewSquare examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of NewSquare's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the NewSquare determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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's services, including the value of research provided, execution capability, commission rates, and responsiveness.

Accordingly, although NewSquare will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by NewSquare will generally be used to service all of NewSquare's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. NewSquare and Fidelity are not affiliates, and no broker-dealer affiliated with NewSquare is involved in the relationship between NewSquare and Fidelity.

#### Error Account – Schwab

An Error Account has been established with Charles Schwab for the purpose of enabling NewSquare to affect trade corrections due to trading errors associated with transactions executed in client accounts. The purpose of the Error Account is to ensure that clients that have incurred market losses because of any trading error by NewSquare are made whole. Should any error/correction result in a gain (above those necessary to make the client whole), that gain will be kept in the Error Account and will not be credited to the client. Gains that are captured due to trade errors are maintained in the Error Account and used to offset any future trade error loss. Should the Error Account be closed, any gains not used to cover trade error loss will be considered a profit.

#### Error Account – TD Ameritrade

An Error Account has been established with TD Ameritrade for the purpose of enabling NewSquare to affect trade corrections due to trading errors associated with transactions executed in client accounts. The purpose of the Error Account is to ensure that clients that have

incurred market losses because of any trading error by NewSquare are made whole. Should any error/correction result in a gain (above those necessary to make the client whole), that gain will be kept in the Error Account and will not be credited to the client. Gains that are captured due to trade errors are maintained in the Error Account and used to offset any future trade error loss. Should the Error Account be closed, any gains not used to cover trade error loss will be considered a profit.

#### Error Account – Fidelity

An Error Account has been established with Fidelity for the purpose of enabling NewSquare to affect trade corrections due to trading errors associated with transactions executed in client accounts. The purpose of the Error Account is to ensure that clients that have incurred market losses because of any trading error by NewSquare are made whole. Should any error/correction result in a gain (above those necessary to make the client whole), that gain will be kept in the Error Account and will not be credited to the client. Gains that are captured due to trade errors are maintained in the Error Account and used to offset any future trade error loss. Should there be a gain in the Error Account, the gain will be donated at the end of each quarter to the charity of NewSquare's choosing.

#### **Item 13 – Review of Accounts**

NewSquare provides continuous and regular supervisory or management services to its clients. Accounts are monitored daily by the portfolio manager or an assistant.

All new advisory accounts at the time the account is established are reviewed by NewSquare to ensure the accounts are in accordance with the client's goals, objectives, and risk tolerance. Individual IAR's (not affiliated with NewSquare) as well as NewSquare IAR's obtain substantial background information about each client's financial circumstances, investment objectives, and risk tolerance, among other things, through an

in-depth interview and information gathering process which includes client profile and risk assessment forms.

#### **Item 14 – Client Referrals and Other Compensation**

NewSquare may utilize the services of individuals to act as Solicitors as defined in Rule 206(4)-3 of the Investment Advisers Act of 1940. The Solicitor's primary role is to introduce and assist each Solicited Client in establishing a relationship with NewSquare which will include introducing prospective clients and providing information about NewSquare. Any unaffiliated Solicitors will provide each client with a "Solicitor's Brochure" which describes the relationship, the Solicitor's compensation and whether the client will pay a fee different than if the client had come directly to NewSquare.

We receive economic benefits from Schwab, TD Ameritrade and Fidelity in the form of the support products and services they make available to us and other independent investment advisors that have their clients maintain accounts at Schwab, TD Ameritrade and Fidelity. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab, TD Ameritrade or Fidelity's products and services to us is not based on our giving particular investment advice, such as buying particular securities for our clients.

Occasionally, NewSquare will allow Mutual Fund or ETF Providers to participate in NewSquare marketing efforts such as client educational events, new client outreach and other events. Such participation is limited to citations on the event invitations and limited placement of marketing materials. For this, the Mutual Fund or ETF Providers will pay NewSquare minimal amounts to offset the costs of the client events.

#### **Item 15 – Custody**

Clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. NewSquare urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. In addition, certain clients have established asset transfer authorizations which permit the qualified custodian to rely upon instructions from NewSquare to transfer client funds or securities to third parties. These arrangements are also disclosed at ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

#### **Item 16 – Investment Discretion**

NewSquare usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment discretion is granted to NewSquare by the client by the execution of a limited power of attorney. This power of attorney is a part of the NewSquare Investment Management Account and the brokerage account application. When selecting securities and determining amounts, NewSquare observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to NewSquare in writing.

Clients that select discretionary accounts have the opportunity to impose reasonable investment restrictions applicable to Client's assets. Investment restrictions must be reasonable, as solely determined by NewSquare, and must be complete and consistent with applicable law.

NewSquare will observe the investment restrictions that the Client provides, if deemed reasonable; provided that NewSquare reserves the right to seek further direction from the Client before any such investment restrictions are observed.

#### **Item 17 – Voting Client Securities**

Client is responsible to vote proxies for investments held in the Program. NewSquare shall retain voting responsibility for corporate reorganizations and other corporate actions, including tender offers, proposed mergers, rights offerings, exchange offers and warrants among other things, that may require a voting decision or other actions, regarding investments held in Client's Account in connection with the Program. Client acknowledges that NewSquare, Schwab, TD Ameritrade and Fidelity, shall have no responsibility to vote proxies under the Program.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the adviser's financial condition. NewSquare 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.