

# FUSION FAMILY WEALTH, LLC

SEC File # 801-78339



ADV Part 2A, Brochure

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**This Brochure provides information about the qualifications and business practices of Fusion Family Wealth, LLC. If you have any questions about the contents of this Brochure, please contact us at BStanton@FusionFamilyWealth.com or (516) 206-1320. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

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

**References herein to Fusion Family Wealth, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to Fusion Family Wealth, LLC's (the "Registrant") Part 2A Brochure since its prior Amendment filing on June 29, 2020. The Registrant below has made disclosure additions and enhancements, including disclosures at Items 4, 5, 7, and 15. **ANY QUESTIONS**: The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below.

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#### **Item 4            Advisory Business**

- A. Fusion Family Wealth, LLC (the “Registrant”) is a Delaware limited liability company, which has been registered as an Investment Adviser with the United States Securities and Exchange Commission on July 25, 2013. The Registrant is principally owned by Jonathan Blau, who serves as the Registrant’s sole Member and Chief Executive Officer.
- B. As discussed below, the Registrant offers investment advisory services and retirement plan consulting services to its clients (generally comprised of: individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, business entities, trusts and estates, etc.).

##### **INVESTMENT ADVISORY SERVICES**

The client can engage the Registrant to provide discretionary or non-discretionary investment advisory services. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management. Before engaging the Registrant to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. Registrant’s annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client and accepted by the Registrant, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services pursuant to a stand-alone Financial Planning Agreement (see below).

Registrant provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives and develop an asset allocation based on a defined investment policy statement that focuses on client’s investment objectives, time horizon, and risk tolerance. Once client investment assets are allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client-designated investment objectives, and may execute or recommend execution of account transactions as a result of those reviews.

##### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant’s planning and consulting fees are negotiable, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes (i.e. attorney, accountant, insurance agent, etc.), including professionals who serve as a solicitor for the Registrant-*see* disclosure at Item 14 below. The client is under no obligation to engage the services of any such recommended professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and

**not** Registrant, shall be responsible for the quality and competency of the services provided. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

#### **ERISA PLAN and 401(k) INDIVIDUAL ENGAGEMENTS:**

- **Trustee Directed Plans.** Registrant may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Registrant will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 (“ERISA”). Registrant 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 the Firm.
- **Participant Directed Retirement Plans.** Registrant may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Registrant and the plan. For such engagements, Registrant shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Registrant), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.
- **Client Retirement Plan Assets.** If requested to do so, Registrant shall provide investment advisory services relative to the client’s 401(k) plan assets. In such event, Registrant shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. The client is exclusively responsible for making all transactions. Registrant’s ability shall be limited to making recommendations regarding the allocation of the assets among the investment alternatives available through the plan. Registrant will not receive any communications from the plan sponsor or custodian, and it shall remain the client’s exclusive obligation to notify Registrant of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

#### **MISCELLANEOUS**

**Limitations of Non-Investment Consulting/Implementation Services.** To the extent requested by a client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. The Registrant **does not** serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant’s services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant **does not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), which may include professionals who serve as a solicitor for the Registrant-*see* disclosure at Item 14 below-*see* disclosure at Item 14 below. Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Registrant or its representatives. **Please Note:** If the client engages any recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the

engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** Registrant, shall be responsible for the quality and competency of the services provided. **Please Note:** Registrant will generally provide such planning and consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). Registrant believes that it is important for the client to address financial planning issues with the Registrant on an ongoing basis. Registrant's fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address planning issues with Registrant. Registrant remains available to address planning issues with the client on an ongoing basis.

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

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services.

**Disclosure Brochure.** A copy of this Brochure shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

**Non-Discretionary Service Limitations.** Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant 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, the Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant 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, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary, nor prudent. The advisory fees described in Item 5 below remain due and payable during periods of account inactivity.

**ByAllAccounts.** Registrant, in conjunction with the services provided by "ByAllAccounts" may also provide periodic comprehensive reporting services that can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Registrant (the "Excluded Assets"). The client and/or their other advisors that maintain trading authority, and not Registrant, shall be exclusively

responsible for the investment performance of the Excluded Assets. Unless otherwise specifically agreed to, in writing, Registrant's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if Registrant is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), Registrant does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If Registrant were asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that Registrant provide investment management services for the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the Investment Advisory Agreement between Registrant and the client.

**Please Note-Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive the Registrant's initial and ongoing investment advisory services.

**Please Note:** In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **ANY QUESTIONS: Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above.**

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Dynasty/TAMP and corresponding conflicts of interest.** Registrant has entered into a contractual relationship with Dynasty Financial Partners, LLC ("Dynasty"), including a January 2018 amendment (the "Amendment") with Dynasty, that provides Registrant with operational, back office, marketing, technology, compliance, and professional support (including annual monetary contributions towards costs incurred by the Registrant for such marketing, technology and legal/compliance support). Dynasty also served as a lender to Fusion per the terms and conditions of a previous non-forgivable loan (approximately \$750,000), which was paid off by Fusion on March 16, 2018. The annual contributions continue to present, and the loan previously presented, a **conflict of interest**. Through the Dynasty network of service providers, Registrant has access to discounts on trading

technology, reporting, custody, brokerage, compliance and other related services. Dynasty charges a “Core Platform Fee,” which is included in the Registrant’s annual investment advisory fee described in Item 5 below. In addition, Dynasty’s subsidiary, Dynasty Wealth Management, LLC is a registered investment adviser, which also provides access to a range of investment services including: separately managed accounts (“SMAs”), mutual fund and ETF asset allocation strategies, and unified managed accounts (“UMAs”) managed by external third party managers (collectively the “Investment Programs”). Under the UMA program, Registrant will maintain the ability to construct a single portfolio by selecting the specific, underlying investment vehicles and asset allocations. Under the SMA program, Registrant has the ability to construct a single portfolio by selecting the specific, underlying manager, investment vehicles and/or asset allocations. Registrant may receive more advantageous pricing in the future as assets allocated to the Investment Programs increase. This arrangement presents a **conflict of interest** because Registrant is incentivized to allocate client investment assets to the Investment Programs in order to receive more advantageous pricing from Dynasty. The Registrant mitigates this **conflict of interest** by separately identifying and including, for complete transparency purposes, that portion of the Dynasty “Core Platform Fee” that is part of its investment advisory fee described in Item 5.A. below. This “Core Platform Fee” is also disclosed on the fee schedule that is part of the Investment Advisory Agreement between the Registrant and the client. In the event that Dynasty reduces its “Core Platform Fee” based upon Registrant’s allocation of client assets to the Investment Programs, Registrant’s clients will benefit by a corresponding reduction in their advisory fee. **Regardless**, because the Registrant derives economic benefits from Dynasty (per the Amendment and loan referenced above), a **conflict of interest** still exists. **ANY QUESTIONS**: The Registrant’s Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding the Dynasty relationship, Amendment and/or loan, and the corresponding **conflicts of interest** presented by such arrangements.

**Independent Managers**. The Registrant may allocate (and/or recommend that the client allocate) a portion of a client’s investment assets among unaffiliated independent investment managers / separately managed account platforms (“Independent Manager(s)”) in accordance with the client’s designated investment objectives according to the terms and conditions of a separate agreement between the client and the Independent Manager(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The Registrant generally considers the following factors when considering its recommendation to allocate investment assets to Independent Manager(s): the client’s designated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. **The applicable advisory fee charged by the Independent Manager(s), any related platform fee, “SMA” fee, “UMA” fee, and/or “TAMP” fee, is separate from, and in addition to, the Registrant’s investment advisory fee as set forth in Item 5.** Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than Registrant. In such instances, Registrant may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s). **Please Note**: As indicated above, the annual investment management fee charged by the Independent Manager(s) (which can range from 0.18% to 0.63% of the assets allocated to the Independent Manager(s), fees for equity managers are generally higher than those for fixed income managers) is separate from, and in addition to, the Registrant’s advisory fee as set forth in the fee schedule at Item 5 below. **ANY**

**QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding Independent Manager(s), and the additional fees to be incurred by the client as result of such engagements.

**Custodian Charges-Additional Fees.** As discussed below at Items 5 and 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that *Fidelity* or *Pershing* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Fidelity* and *Pershing* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians do not currently charge fees on individual equity transactions (including ETFs), others do). Currently, *Pershing* charges transaction fees for ETFs (\$5 per transaction) utilized by the Registrant, but *Fidelity* does not. Although the Registrant is not a frequent trader, its primary investment vehicles for client accounts are ETFs. Thus, clients who utilize *Pershing* will incur transaction fees for ETF transactions that those at *Fidelity* do not incur. **Please Note:** there can be no assurances that either Pershing or Fidelity will not change their transaction fee pricing in the future. These fees/charges are in addition to Registrant's investment advisory fee at Item 5 below. Registrant does not receive any portion of these fees/charges. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above, including the transaction fee differential at Fidelity vs. Pershing.**

**Please Note: Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), the Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee. **ANY QUESTIONS: The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

- C. The Registrant provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2020, the Registrant had \$796,000,000 in assets under management on a discretionary basis and \$22,000,000 in assets under management on a non-discretionary basis.

## **Item 5            Fees and Compensation**



- A. Registrant offers its services on a fee basis, meaning that clients pay an annual fee based upon assets under management and/or advisement as described below.

#### **INVESTMENT ADVISORY SERVICES**

If a client chooses to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee basis (*see* disclosure at Item 7 below), the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value of assets under management according to the following fee schedule:

<u>Market Value of Portfolio</u>	<u>Annual Fee</u>
Under \$3,000,000	1.11%
Over \$3,000,000 but less than \$10,000,000	0.96%
Above \$10,000,000	0.81%

Client accounts will be aggregated by household for billing purposes to achieve the lowest possible pricing. The annual investment advisory fee includes a 0.11% "Core Platform Fee" for the Dynasty platform and services (*See* Dynasty/TAMP disclosure at Item 4.B. above, including **conflicts of interest**), which is billed on a quarterly basis, in advance, based upon the market value of the assets on the last day of the previous quarter. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding advisory fees and the Dynasty Core Platform Fee and relationship.

#### **RETIREMENT ACCOUNTS**

For new clients that engage the Registrant's services, effective March 1, 2021, assets maintained by the client in his/her employer sponsored retirement plan shall be included for purpose of Registrant calculating its quarterly fee per the fee schedule set forth at Item 5 above. However, if the client advises the Registrant, in writing, that it does not desire for the Registrant to provide advisory services for the client's employer sponsored retirement plan, such assets shall not be included for Registrant's fee billing purposes. **Please Note:** At no time shall the Registrant maintain the client's password for such retirement accounts, and it will be the client's exclusive obligation to implement the Registrant's recommendations. Employer sponsored retirement plan assets will not be charged the entire 0.11% Core Platform Fee referenced above, but rather will be assessed a much lesser fee of 0.02% for reporting services.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but are generally charged at a rate of \$300 per hour, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

#### **RETIREMENT PLAN CONSULTING SERVICES**

If a participant directed retirement plan sponsor client chooses to engage the Registrant to provide retirement plan consulting services, Registrant's annual fee for these services is

equal to 0.20% of the value of plan's assets on the last day of the previous quarter payable quarterly, in arrears. For plans with assets above \$40,000,000 the Registrant's annual fee is negotiable.

- B. Clients may elect to have the Registrant's investment advisory fees and retirement plan consulting fees deducted from their custodial account. Registrant's Investment Advisory Agreement, Retirement Plan Services Agreement, and the applicable custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly for those services, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct investment advisory fees and retirement plan consulting fees
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Fidelity Institutional Wealth Services, an SEC-registered and FINRA member broker dealer ("Fidelity"), and/or Pershing Advisor Solutions, LLC an SEC-registered and FINRA member broker dealer serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers such as *Fidelity* and *Pershing* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians do not currently charge fees on individual equity transactions (including ETFs), others do). Currently, *Pershing* charges transaction fees for ETFs (\$5 per transaction) utilized by the Registrant, but *Fidelity* does not. Although the Registrant is not a frequent trader, its primary investment vehicles for client accounts are ETFs. Thus, clients who utilize *Pershing* will incur transaction fees for ETF transactions that those at *Fidelity* do not incur. Registrant does not receive any portion of these fees/charges. In addition to Registrant's investment advisory fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund ("ETF") purchases, charges imposed at the fund level (e.g. management fees and other fund expenses), 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, in addition to advisory fees imposed by Independent Managers (including without limitation any related platform fee, "SMA" fee, "UMA" fee, and/or "TAMP" fee). **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding fees to be incurred by the client.
- D. The Registrant's annual investment advisory fee shall be prorated and paid quarterly in advance, based upon the market value of the assets on the last day of the previous quarter. The Registrant's annual retirement plan consulting fee shall be prorated and paid quarterly in arrears, based upon the market value of the assets on the last day of the previous quarter. The applicable form of agreement between the Registrant and the client will continue in effect until terminated by either party in conformity with the terms of such agreement. Upon termination of such agreement, the Registrant shall either: bill the client or debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing quarter; or refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter, as applicable.

**ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding fees to be incurred by the client.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7            Types of Clients**

**Fee Dispersion.** The Registrant generally requires a \$2 million aggregate asset minimum for investment advisory services. Registrant, in its discretion, may charge a lesser investment advisory fee, waive its asset minimum, charge a flat fee, waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

- A. The Registrant may utilize the following methods of security analysis:
- **Fundamental** - (analysis performed on historical and present data, with the goal of making financial forecasts);
  - **Technical** – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices); and/or
  - **Cyclical** – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices).

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- **Long Term Purchases** (securities held at least a year);
- **Short Term Purchases** (securities sold within a year); and/or
- **Margin Transactions** (use of borrowed assets to purchase financial instruments)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the

investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). While markets may increase and client account values could benefit as a result, it is also possible that markets may decrease and such account values could suffer a loss. It is therefore important that clients understand investment risks, diversification strategies, and ask Registrant any questions they may have before making any investment decisions.

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies (Long Term Purchases and Short Term Purchases) are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Registrant recommends asset allocations based on a particular client's: economic situation, liquidity needs, risk tolerance, proposed investment period, need for diversification, reliance upon current income, present and anticipated tax situation. Registrant also considers historical yields, potential appreciation and marketability before making investment recommendations. Registrant primarily allocates or recommends that clients allocate investment assets among: mutual funds, ETFs and Independent Managers in accordance with the clients' designated investment objectives. To a lesser extent, when consistent with investment objectives, Registrant may also allocate or recommend that clients allocate investment assets among individual equities (stocks) and individual bonds. In certain limited circumstances, when consistent with a client's investment objectives, the Registrant may also recommend the use of margin transactions.

**Margin Transactions.** A margin transaction strategy, in which an investor uses borrowed assets to purchase financial instruments, involves a high level of inherent risk. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

## **Item 9            Disciplinary Information**

The Registrant has not been the subject of a disciplinary action.

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. As indicated above relative to Independent Manager(s), the Registrant recommends or selects other investment advisors (i.e., Independent Manager(s)) for its clients for which the Registrant earns an advisory fee.

## **Item 11          Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940 and similar state law, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person.

Furthermore, Access Persons must provide the Chief Compliance Officer with a quarterly transaction report, detail all trades in the Access Person's account during the previous quarter; and on an annual basis, each Access Person must provide the Chief Compliance Officer with a written report of the Access Person's current securities holdings. However, at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C. the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

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

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

### **1. Non-Soft Dollar Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant can receive from Fidelity and/or Pershing (or other broker-dealer/custodians, unaffiliated investment managers, Independent Manager(s), investment platforms, vendors, and/or product/fund sponsors) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client

accounts maintained at such institutions. Included within the support services that can be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel expenses/attendance at conferences, meetings, and other educational and/or social events, marketing support (including a financial contribution toward the cost of the Firm's annual golf tournament), computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

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

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at a broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by the Registrant to any broker-dealers/custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. **ANY QUESTIONS: The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.**

2. The Registrant does not receive referrals from broker-dealers.

3. Directed Brokerage.

The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, the client 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.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

B. Transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or

“bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant’s investment adviser representatives and/or Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other-than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, the Registrant can receive economic benefits from Fidelity and/or Pershing (or other broker-dealer/custodians, unaffiliated investment managers, Independent Manager(s), investment platforms, and/or mutual fund sponsors), such as support services and/or products without cost or at a discount. Registrant’s clients do not pay more for investment transactions effected and/or assets maintained at a broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by the Registrant to a broker-dealer/custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. In addition, as discussed above at Item 4B, Dynasty continues to provide economic benefits (i.e., monetary contributions per the Amendment) to the Registrant that present **conflicts of interest**. **ANY QUESTIONS: The Registrant’s Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.**
- B. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant’s



investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant. **Please Note:** As indicated at Item 4 above, the Registrant may recommend professionals (i.e. attorneys, accountants, insurance agents, etc.), who serve as a solicitor for the Registrant. In such event, the recommendation presents a **conflict of interest** since the Registrant derives a benefit from the recommended professional (i.e., the introduction of prospective clients in the professional's capacity as a solicitor for the Registrant). The Registrant shall advise the client if, and when, such conflict arises.

- C. In the event that a client advises Fusion Family that it requires the services of an unaffiliated professional (i.e. attorney, CPA, insurance agent, etc.), and the client correspondingly requests an introduction from Fusion Family, Fusion Family may make an introduction to a professional who is also a Fusion Family client and/or referral source. Unless otherwise expressly indicated, in writing, neither Fusion Family, nor any Fusion Family employee, shall receive any compensation from the professional for the introduction. Nevertheless, because the recommended professional is also a Fusion Family client, a conflict of interest arises because by making the introduction, Fusion Family is assisting an individual or entity from whom it derives (and anticipates in the future will derive) compensation as a Fusion Family client. In addition, Fusion Family currently (and anticipates continuing to do so in the future) provides advisory services to referral sources on a discounted basis. In the event that Fusion Family introduces a client to an unaffiliated professional who is also a Fusion Family client, Fusion Family will disclose the conflict to the client. No client is under any obligation to utilize the services of any such recommend professional.

## **Item 15      Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Fusion to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, 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. In addition, in limited circumstances, Registrant engages in certain

custody-related services and/or practices (i.e., trustee service), that are disclosed at Item 9 of Part 1 of Form ADV. These services and practices are subject to an annual surprise CPA examination. **ANY QUESTIONS: Fusion's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16 Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary or non-discretionary basis. Before the Registrant assumes discretionary authority over a client's account, client shall be required to execute an Investment Advisory Agreement, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17 Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Registrant will introduce a third-party service provider to assist the client with participation in securities class action lawsuits pertaining to the assets under Registrant's management. Registrant would then provide trade data and other necessary information to the third-party service provider, which would research class action cases and complete and calculate the applicable proof of claim. The third-party service provider would then file the applicable proof of claim with the claims administrator, verify payment received from the claims administrator and distribute the payment to the client minus a fifteen percent (15%) contingency fee of securities class action settlements collected. Otherwise, if clients choose not to engage in the class action monitoring, filing, and recovery services provided by the third-party service provider, clients will be exclusively responsible for voting in all legal proceedings or other type events pertaining to the assets under Registrant's management including, but not limited to, class action lawsuits.

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18 Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.

- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**