



## **The Patten Group, Inc.**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 16, 2021**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of The Patten Group, Inc. (“TPG” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (423) 531-0360.

TPG is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about TPG to assist you in determining whether to retain the Advisor.

Additional information about TPG and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 168255.

**The Patten Group, Inc.**  
**832 Georgia Avenue, Suite 360, Chattanooga, TN 37402**  
**Phone: (423) 531-0360 \* Fax: (423) 805-3920**  
**[www.360patten.com](http://www.360patten.com)**

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about Advisory Persons of TPG.

Transparency and communication are the foundation of TPG's relationship with Clients. TPG continually strives to provide you with the most complete and up to date information. TPG encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

There have been no material changes to this Disclosure Brochure since the last filing and distribution to Clients.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and in the event of a material change.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 168255. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (423) 531-0360.

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

The Patten Group, Inc. ("TPG" or the "Advisor") is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The Advisor is organized as a corporation under the laws of the State of Tennessee. TPG was founded in March 2014 and is owned and operated by Ashlee B. Patten (Chief Executive Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by TPG.

### **B. Advisory Services Offered**

TPG provides investment advisory services to individuals, high net worth individuals, families, trusts, estates, retirement plans, endowments, foundations, charitable organizations, corporations and small businesses (each referred to as a "Client").

The Advisor serves as a fiduciary to Clients, which means the Advisor has a fundamental obligation to act and to provide investment advice in the best interests of Clients. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. TPG's fiduciary commitment is further described in the Advisor's Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

TPG provides Clients with customized wealth advisory solutions and tailors its advisory services to the individual needs of the Client based on the goals, risk and return objectives, size and complexity of the Client's financial situation. As part of the Advisor's comprehensive wealth management solutions, the Advisor may provide financial planning services in addition to investment management services.

*Investment Management Services* – TPG provides customized investment advisory solutions to its Clients either as a component of wealth management or pursuant to a stand-alone investment management agreement. Typically, Clients engage TPG for investment management services on a discretionary basis. Discretionary management is a form of investment management where decisions to buy and/or sell securities in a Client's portfolio are made without Client consent for each transaction. On a limited basis, the Advisor accepts investment management relationships on a non-discretionary basis.

TPG seeks to ensure that client portfolios are managed in a manner consistent with their respective investment profiles. TPG consults with the Client at first signing of the investment management agreement during the initial onboarding process as well as on a continuous basis to determine the Client's specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of the Client's portfolio. Clients are advised to promptly notify the Advisor if there are any changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their account[s] if TPG determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Advisor's management efforts.

TPG will typically construct investment portfolios utilizing individual equity securities, individual fixed income securities, mutual funds, exchange traded funds ("ETFs"), and options. TPG may utilize other types of investments as appropriate for a particular Client. In some cases, the Advisor also retains certain legacy investments based on portfolio fit and/or tax considerations. Any restrictions or mandates imposed by the client and accepted by the advisor will be serviced on a case by case basis which may necessitate labeling these as directed holdings (as directed by the client) or asking the client to sign an additional non-discretionary agreement for those particular holdings.

In addition, TPG may utilize various investment models for Client portfolios depending on their financial circumstances and investment needs. The models will utilize the same types of securities that are used in

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constructing custom Client investment portfolios.

TPG advises Clients on certain investment products that are not maintained at the primary Custodian, such as assets included in an employer-sponsored retirement plan (i.e. 401k plans and 403(b) plans), qualified tuition plan (i.e. 529 plan), variable life insurance, annuity products and/or certain private placement investments. For these held-away assets, TPG directs or recommends the allocation of Client assets among the available investment options. The Advisor will typically have the discretionary authority to place trades, rebalance and allocate contributions within these accounts, with the exception of the private placement investments (where discretion remains with the Client at all times). The Advisor holds Client login credentials for many of these held-away assets. As such, TPG is deemed to have custody of these assets. Please see Item 15 – Custody for additional information.

TPG also provides investment advisory services to some Clients on specified held-away private placements investments. While in many instances TPG did not originally recommend clients make these investments, under the Client's Investment Management Agreement, TPG conducts ongoing research, monitoring, and/or other due diligence on these private placement investments. TPG pursues this ongoing research, monitoring, and/or other due diligence in order to provide such clients with observations and advice about how these private placements may continue to fit within the Client's portfolio. TPG does not have any discretion over, nor is it deemed to have custody of the held-away private placement investments described in this section.

TPG's investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. TPG will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

TPG evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Trading client portfolios occurs for strategic and/or tactical reasons. Portfolio positions may be rebalanced to more appropriately diversify risk or lower the security concentration of certain positions. Conversely, TPG may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market volatility, which could adversely affect the portfolio. TPG may recommend selling positions for reasons that include, but are not limited to: harvesting capital gains or losses, mitigating business or sector risk exposures to a specific security or class of securities, adjusting overvaluation or overweighting of the position[s] in the portfolio, accommodating changes in risk tolerance of the Client, generating cash to meet Client needs, or responding to any risk deemed unacceptable for the Client's risk tolerance.

All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see item 12 – Brokerage Practices.

*Use of Independent Managers* - TPG has the ability and maintains the option to recommend that Clients utilize one or more unaffiliated investment managers or investment platforms (collectively "Independent Managers") for all or a portion of a Client's investment portfolio, based on the Client's needs and objectives. In certain instances, the Client may be required to authorize and enter into an investment management agreement with the Independent Manager[s] that defines the terms in which the Independent Manager[s] will provide its services. The Advisor will perform initial and ongoing oversight and due diligence over each Independent Manager to ensure the strategy remains aligned with Clients investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and managing the ongoing Client relationship. The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Independent Manager's Form ADV Part 2A - Disclosure Brochure (or a brochure that makes the appropriate disclosures).

*Financial Planning and Consulting Services* -TPG offers a variety of financial planning services to individuals and families depending on the Client's financial situation, goals, and objectives. Financial planning and consulting services are offered either as a component of wealth management or pursuant to a stand-alone financial

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planning agreement. Determination of goals and objectives is based on consultation with the Client and the comprehensiveness of the supporting documents provided by the Client. Financial planning may encompass one or more areas of need, including, but not limited to: investment planning, retirement planning, budget planning, budget development, personal savings, education savings and other areas of financial problem solving.

TPG offers a comprehensive range of financial planning and consulting services, which include:

- Multi-Generational Wealth Transfer
- Estate Planning Review
- Risk Management Review
- Employee Stock Ownership Plans
- College Funding
- Charitable Giving and Philanthropy
- Advice on Credit Sourcing and/or Debt Paydown & Consolidation

A financial plan or financial consultation prepared for the Client can include either general recommendations for a course of activity, specific actions to be taken by the Client, or both. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or establish charitable giving programs. TPG may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Stand alone plans or consultations are typically completed within six months of the contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations pose a conflict of interest between the Advisor and the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Reporting-only Services for Consolidated Reporting

TPG provides some Clients with reporting-only services. These services include periodic reporting on Client accounts or assets that are not deemed assets under management with TPG. These periodic reports detail the performance, asset allocation and/or holdings mix. TPG receives its information and market values from account custodians, tax accountants, independent managers and other third parties. TPG will consider the asset classes of investments that are not managed by the Advisor for asset allocation purposes and will report the performance of those investments relative to an appropriate benchmark, but will not otherwise provide due diligence or monitoring services on such assets. Including outside investments in performance reports does not constitute investment advice, a recommendation, or an endorsement by TPG. To the extent that erroneous information is provided due to inaccurate data from a third-party, the Advisor is not responsible for any inaccuracies which are contained in the report.

#### Retirement Plan Advisory Services

TPG provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment Assistance and Education Tracking
- Investment Policy Statement ("IPS") Design and Monitoring

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- Discretionary Investment Management (ERISA 3(38))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- Benchmarking

These services are provided by TPG serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of TPG's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

### **C. Client Account Management**

Prior to engaging TPG to provide investment management services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – TPG, in conjunction with the Client, will develop a strategy that seeks to achieve the Client's investment goals and objectives.
- Asset Allocation – TPG will develop a strategic asset allocation targeted to meet the investment objectives, time horizon, financial situation and risk tolerance for each Client.
- Portfolio Construction – TPG will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – TPG will provide investment management and ongoing oversight of the Client's investment portfolio in order to meet the goals and objectives of the Client.

### **D. Wrap Fee Programs**

TPG does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by TPG.

### **E. Assets Under Management**

As of December 31, 2020, TPG manages \$439,624,123 in Client assets, \$437,290,936 of which is on a discretionary basis and \$2,333,187 on a non discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall enter into one or more agreements that detail the responsibilities of TPG and the Client.

### **A. Fees for Advisory Services**

#### Investment Management Service Fees

Investment management fees are billed quarterly, at the end of each calendar quarter, pursuant to the terms of the investment management agreement. Investment management fees are based on the average market value of assets under management at the beginning and end of the respective quarter. Investment management fees range from 0.25% to 1.25% per annum depending on the size and complexity of the Client relationship and the scope of services to be provided.

The investment management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fee negotiations are at the sole discretion of the Advisor. The Client's fee will take into consideration the aggregate assets under management with the Advisor or Plan services to be provided.

Clients can make additions to and withdrawals from their account[s] at any time, subject to TPG's right to terminate a relationship. Additions can be in cash or securities, provided that the Advisor reserves the right to liquidate any

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transferred securities or decline to accept particular securities into a Client's account[s]. Clients can withdraw account assets upon notice to TPG, subject to the usual and customary settlement procedures. However, TPG designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. TPG may consult with its Clients about the options and implications of such transactions. Clients are advised that when transferred securities are liquidated, they can be subject to tax ramifications, transaction fees, and/or fees assessed at the mutual fund level (i.e. contingent deferred sales charge).

The Advisor's management fee is exclusive of, and in addition to, any applicable securities transaction fees, custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. The Advisor does not receive any portion of these commissions, fees, and costs.

*Use of Independent Managers* - As noted in Item 4, the Advisor maintains the option to implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment management fee as described above. Independent Managers typically do not offer any fee discounts, but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.00% annually.

#### Reporting-Only Services for Consolidated Reporting Fees

For Clients who choose to engage TPG for reporting-only services, a flat fee in addition to the investment advisory or financial planning fee will be negotiated. These reporting-only fees typically range between \$50-\$400 per annum. Reporting-only service fees are dependent on: the reporting platform resources needed for aggregation, number of accounts to be aggregated, custodian, and the overall amount of assets. Fees for reporting-only services are paid quarterly, at the end of each calendar quarter, and will be outlined as an additional fee in the investment advisory agreement or financial planning agreement.

#### Financial Planning and Consulting Service Fees

TPG offers financial planning or consulting services at an hourly rate ranging from \$75 to \$300, a quarterly flat fee retainer, or as a fixed fee based on the scope of work. Fees are negotiable and determined based on the complexity of services requested, the experience level of the personnel needed to provide such services, and the overall relationship with the Advisor. Fixed fee engagements are also derived based on the estimated time and effort to complete the engagement deliverables at the negotiated hourly rate. An estimate for total hours and/or costs will be provided to the Client prior to establishing the advisory relationship. TPG, in its sole discretion, may offset all or a portion of its planning fees if the Client engages the Advisor for investment management services.

#### Retirement Plan Advisory Service Fees

TPG is compensated for its retirement plan advisory services quarterly, at end of each calendar quarter, pursuant to the terms of the retirement plan advisory agreement. Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.25%. Fees may be negotiable depending on the size and complexity of the Plan and the level of back office administration the Plan Sponsor's request.

### **B. Fee Billing**

#### Investment Management Services Fee Billing

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The amount due is calculated by applying the average of the beginning and ending assets under management for each calendar quarter times the quarterly rate, as outlined in the investment management agreement. All securities held in accounts managed by TPG will be independently valued by the Custodian. TPG will not have the authority or responsibility to value portfolio securities.

TPG's standard procedure for fee receipt is direct deduction from the Client's account[s] at the Custodian. Payment of investment management fees via check or other method of payment must be pre-approved by the Advisor. The

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Advisor or its delegate shall send an invoice or upload a management fee file to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date.

Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment management fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting TPG to be paid directly from their accounts held by the Custodian as part of the investment management agreement and separate account forms provided by the Custodian.

*Use of Independent Managers* – For Client accounts implemented through an Independent Manager, the Client's overall fees may include TPG's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager[s], as applicable. In certain instances, the Independent Manager or the Advisor may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s].

*Consolidated Reporting* – Fees for consolidated reporting are either invoiced directly to a Client for payment or debited from a Client's taxable account[s] at the Client's direction as outlined in the investment advisory or financial planning agreement.

#### Financial Planning and Consulting Service Fee Billing

Financial planning and consulting fees for stand-alone services are based on an hourly rate or fixed fee scope of work. These fees are invoiced up to fifty percent (50%) upon execution of the agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

For ongoing financial planning engagements, a flat retainer fee is invoiced quarterly in arrears pursuant to the financial planning agreement.

#### Retirement Plan Advisory Services Fee Billing

Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **C. Other Fees and Expenses**

Clients could incur certain fees or charges imposed by third parties, other than TPG, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. Charles Schwab & Co, Inc., one of the recommended Custodians of the Advisor (as defined in Item 12 – Brokerage Practices), does not currently charge securities transaction fees for ETF and equity trades in Client accounts, but typically charges for mutual funds and other types of investments. The fees charged by TPG are separate and distinct from these custody and execution fees. In addition to trade execution fees, the most common third-party fee is the prime brokerage trade away fee discussed in Item 12 – Prime Brokerage.

TPG management fees are separate and distinct from the expenses charged by mutual funds, ETFs, and private placement to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. Within the fund, these fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible 12b-1 distribution fee.

A Client may be able to invest in these products directly, without the services of TPG, but would not receive the services provided by TPG which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by TPG to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

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## **D. Fees and Termination**

### Investment Management Services Termination

Either TPG or the Client may terminate their investment management agreement at any time by providing written notice to the other party. The Client shall be responsible for fees up to and including the effective date of termination. TPG is compensated for its services at the end of the quarter, after investment management services are rendered. If a Client transfers their account[s] prior to deduction of advisory fees, the Advisor will directly invoice the Client. The Client's investment management agreement with the Advisor is non-transferable without the Client's prior consent.

*Use of Independent Managers* – In the event that the Advisor has determined that an Independent Manager is no longer in the Client's best interest or a Client should wish to terminate their relationship with the Independent Manager, the terms for the termination will be set forth in the respective agreements between the Client or the Advisor and the Independent Manager. TPG will assist the Client with the termination and transition as appropriate.

### Financial Planning and Consulting Services Termination

TPG may require an advance deposit of up to 50% as described in Item 5 - A. Fees for Advisory Services. Either party may terminate the financial planning agreement at any time by providing written notice to the other party. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engagement, the percentage of the engagement scope completed by the Advisor. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the Client within ten (10) business days of cancellation on a pro rata basis. The Client's financial planning and consulting agreement with the Advisor is non-transferable without the Client's prior consent.

### Retirement Plan Advisory Services Termination

Either party may terminate their retirement plan advisory agreement at any time by providing written notice to the other party. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination. TPG is compensated for its retirement plan advisory services at the end of the quarter, after retirement plan advisory services are rendered. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

## **E. Compensation for Sales of Securities**

TPG does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees paid directly by Clients and noted above.

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

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TPG does not charge performance-based fees for its investment advisory services. The fees charged by TPG are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

TPG does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund). TPG has no direct financial incentive to recommend any particular investment to its Clients.

## **Item 7 – Types of Clients**

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TPG provides investment advisory services to individuals, high net worth individuals, families, trusts, estates, retirement plans, endowments, foundations, charitable organizations, corporations and small businesses. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts change over time and are updated at least annually by the Advisor. TPG generally requires a minimum annual management fee of \$2,000 per relationship, which may be reduced at the sole discretion of the Advisor. TPG's minimum fee could make TPG's services cost prohibitive for Clients with smaller investment portfolios.

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

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### **A. Methods of Analysis**

TPG primarily employs fundamental and technical analysis in developing investment strategies for its Clients. Research and analyses are derived from numerous sources including SEC filings and corporate investor relations documents such as: webcasts, annual reports, prospectuses, press releases and company presentations. Third party sources include financial media companies, industry data sources, sector and company analyst reports, and government websites.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these indicators to determine if adjustments to strategic allocations are appropriate.

*Technical analysis* involves the examination of past market data rather than specific issuer information in determining the recommendations made to Clients. Technical analysis involves the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that TPG will be able to accurately predict such a reoccurrence.

### **B. Investment Strategies**

TPG employs investment strategies for Clients that are consistent with their financial goals and time horizon. TPG will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. TPG may also buy and sell positions that are more short-term in nature, depending on tax implications, the goals of the Client, special Client requests and/or the fundamentals of the security, sector or asset class.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing Client assets. Clients have different financial goals and investment temperaments. Client participation in this process, including full and accurate disclosure of requested information, is essential for the comprehensive analysis of Client's account[s] & financial situation. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

### **C. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. TPG will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. There is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis can lose value and can have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

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In the capital markets, risk and return generally display positive correlation meaning that assets with higher expected returns have greater perceived risk. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. As part of this assessment process, TPG recommends asset allocations and reviews the risk and return dynamics for each investment category.

Following are some of the risks associated with the Advisor's strategies:

#### Market Risks

The value of a Client's holdings can fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that comprise the funds. ETFs can lose their cost efficiency if the ETFs are traded actively due to the trading fees imposed by the broker dealer and/or custodian. In addition, liquidity risk exists if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

#### Options Contracts

To engage in option trading, the Client's account[s] must qualify and be approved by the Custodian on an account by account basis. The Custodians require an additional authorization for trading options contracts. The Advisor may utilize options strategies to hedge risk in Client account[s] if such strategies are consistent with the goals and objectives of the Client. Speculative or uncovered options strategies are not used by the Advisor. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

#### Real Estate Investment Trusts (REITs)

TPG may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"). REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market can give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

#### Alternative Investments (Commonly structured as Private Placement Limited Partnerships)

The risk factors for Alternative Investments often include both the risks associated with publicly traded securities as well as additional risks including: loss of some or all of principal, concentrated positions, pricing volatility or limited availability of accurate pricing, a limited market for private placement securities, and liquidity risks based on the private placement's terms and/or the character of the underlying securities (which may include additional layers of both public and private placement securities).

Participation in Alternative Investments is usually legally limited to wealthy and/or high income investors who can bear the risk of loss of their entire investment within the Alternative Investment. Clients who invest in Alternatives

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usually allocate only a minority of their portfolio to such investments in consideration of the additional levels of risks over those of public market investments.

The Advisor is not responsible for independently obtaining current market (or other) valuation for private placement securities, unless expressly agreed to in the advisory agreement as part of the Client's assets under management. The Client and/or authorized third party will be responsible for providing The Advisor with up-to-date, written valuations on which the Advisor will report.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

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## **Item 9 – Disciplinary Information**

**There are no legal, regulatory nor disciplinary events involving TPG or any of its management persons.** TPG values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD #168255.

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

TPG does not maintain any affiliations with other firms, except as noted below. TPG does contract with other financial service providers to assist with the administration of the Client account[s].

### Use of Independent Managers

As noted in Item 4, the Advisor maintains the option to implement all or a portion of a Client's investment portfolio with one or more Independent Managers. The Advisor does not receive any compensation nor does this present a material conflict of interest. The Advisor will only earn its investment advisory fee as described in Item 5.A.

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

### **A. Code of Ethics**

TPG has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with TPG ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to each Client. TPG and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of TPG Supervised Persons to adhere not only to the specific provisions of the Code, but also to the core principles of the Code. The Code covers a range of topics that address Supervised Person ethics and conflicts of interest. To request a copy of TPG's Code, please contact the Advisor at (423) 531-0360.

### **B. Personal Trading with Material Interest**

TPG allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. TPG does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. TPG does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

TPG allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that TPG may recommend (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, TPG must disclose to Clients and mitigate through policies and procedures.

As noted above, TPG has adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities

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reporting procedures. When trading for personal accounts, Supervised Persons of TPG have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by TPG requiring reporting of personal securities trades by its Supervised Persons with access to client trade information (our "Access Persons") for review by the Access Person's supervisor or the Chief Compliance Officer ("CCO"). TPG has also adopted written policies and procedures to detect the misuse of material, non-public information found in our Code of Ethics.

#### **D. Personal Trading at Same Time as Client**

While TPG allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will TPG, or any Supervised Person of TPG, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

TPG does not act as a "qualified custodian" nor does the Advisor have discretionary authority to select the broker dealer/custodian (herein the "Custodian") to safeguard Client assets. TPG is authorized by the Client to direct trades to the Custodian as agreed upon in the investment management agreement through a limited power of attorney. The Client may also grant the Advisor limited authority to place trades away from the Custodian. Please see Prime Brokerage Authorization below.

While TPG does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor. TPG will not impose additional fees if the Client uses a custodian not recommended by TPG. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. TPG may recommend the Custodian based on criteria such as, but not limited to: reasonableness of commissions charged to the Client, services made available to the Client, its reputation, and/or the location of the Custodian's offices. TPG maintains institutional relationships with Charles Schwab & Co., Inc. ("Schwab") and Pershing, LLC ("Pershing") each a FINRA-registered broker-dealer and member SIPC. TPG generally recommends that Clients establish their account[s] at Schwab or Pershing. Neither Schwab nor Pershing compensate TPG with research services or other products in a manner that results in the Client paying commissions higher than those obtainable through other Custodians. Due to the institutional relationship with these three Custodians, however, TPG may receive other economic benefits. For additional information, please see Item 14 – Client Referrals and Other Compensation below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. As noted above, TPG recommends Custodians for which TPG has an institutional relationship. TPG selects unaffiliated parties that it believes offer the best overall value in supporting the Client. TPG can receive indirect, economic benefits from these institutional relationships. The Client is not charged higher fees or transaction costs as a result of TPG's institutional relationships nor is TPG required or incented to trade in any Client account[s] to continue to receive benefits. Please see Item 14 – Client Referrals and Other Compensation for additional details.

**2. Brokerage Referrals** - TPG does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** – All Clients are serviced on a "directed brokerage basis", where TPG will place trades within the established account[s] at the Custodian as directed by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase

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of a security into one Client account from another Client's account[s]). Because of this directed brokerage, TPG will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

**4. Prime Brokerage** - The Advisor may execute securities transactions either through the Custodian or through another unaffiliated broker-dealer in connection with a prime brokerage relationship established with the Custodian. Should a Client's account[s] make use of prime brokerage, the Client is required to execute additional agreement[s] with the Custodian authorizing the Advisor to trade-away from and settle to the Client's established account[s] at the Custodian. The Custodian will charge an additional trade-away fee for these transactions in addition to the normal securities transaction costs.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality, and 5) skill required of the Custodian. TPG will execute its transactions through the Custodian as directed by the Client, unless otherwise authorized by the Client through a trade-away agreement. TPG may aggregate orders in a block trade when securities are purchased or sold through the same broker-dealer/custodian for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client account[s].

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Ashlee B. Patten (Chief Executive Officer, Chief Investment Officer and Senior Portfolio Manager), William E. Jacobs (Senior Portfolio Manager), James R. Hill (Director of Research & Portfolio Manager), Adrienne Zingrich (Chief Compliance Officer and Investment Advisor Representative), and/or Jennifer Litton (Investment Advisor Representative). Investment reviews are conducted at least quarterly or more frequently depending on the needs and expectations of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify TPG if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client can view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor also provides Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by TPG**

TPG may receive non-compensated referrals of new Clients from various third parties. Furthermore, TPG is a fee-based advisory firm, who is compensated solely by the Client and not from any investment product. TPG does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third

party. TPG may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide ancillary services necessary to meet the goals of its Clients.

#### Participation in Institutional Advisor Platform

TPG has established an institutional relationship with the Custodians through the respective institutional advisor divisions. As a registered investment advisor participating on the Custodian platform[s], TPG receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at the Custodians. Services provided by the institutional platform benefit the Advisor and many, but not all, services provided by institutional platform will benefit the Clients. In fulfilling its duties to its 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 from a Custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – The Custodians' institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through the Custodians, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – The Custodians provide participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct fees, trading tools, and back office support services as part of its relationship. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – The Custodians also offer other services and financial support to TPG that may not benefit the Client, including: educational conferences and events, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab and Pershing, which results in a conflict of interest. TPG believes, however, that the selected Custodian[s] remains in the best interests of its Clients.

#### **B. Client Referrals from Solicitors**

TPG does not engage paid solicitors for Client referrals.

#### **Item 15 – Custody**

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Custody is defined as holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. TPG does not accept or maintain custody of any Client accounts as a "qualified custodian". Clients are required to engage a "qualified custodian" to retain their funds and securities and direct TPG to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by TPG to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

While TPG does not serve as a "qualified custodian", TPG is deemed to have constructive and real custody under the following situations: authorized deduction of the Advisor's fee, certain situations where a Supervised Person of TPG serves as Trustee, Power of Attorney, or Conservator to the Client's account, where the Advisor has online access/login credentials to a Client's held-away account, and standing letters of instruction to third parties authorized by the Client. Due to these situations, the Advisor is subject to a surprise annual examination by an independent public accounting firm.

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## **Item 16 – Investment Discretion**

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TPG generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by TPG. The granting of such discretionary authority will be evidenced by the Client's execution of an investment management agreement containing all applicable limitations to such authority. All discretionary trades made by TPG will be in accordance with each Client's investment objectives and goals.

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

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TPG does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to the logistics of proxy filing, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither TPG, nor its management have any adverse financial situations that would reasonably impair the ability of TPG to meet all obligations to its Clients. Neither TPG nor any of its Advisory Persons have been subject to a bankruptcy or financial compromise. TPG is not required to deliver a balance sheet along with this Disclosure Brochure because the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

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## Privacy Policy

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Effective: March 16, 2021

### Our Commitment to You

The Patten Group, Inc. ("TPG" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. TPG (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

TPG does not sell your non-public personal information to anyone, nor do we provide such information to others except for discrete and reasonable business purposes in connection to the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

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### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, Custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> TPG does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where TPG or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> TPG does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (423) 531-0360.

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