

## Item 1: Cover Page

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Handcrafted Advice, Planning, and Portfolios

(Firm CRD #143379 / SEC #801- 111051)

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This Form ADV Part 2A Brochure (or "Brochure") provides information about the investment qualifications and business practices of LotusGroup Advisors, Inc. ("LotusGroup," "LGA," the "Adviser," "us," "we," or "our"), an investment adviser registered with the United States Securities and Exchange Commission. If you have any questions about the contents of this Brochure, please contact LotusGroup's Chief Compliance Officer, Amanda N. Cohen, directly at 720.593.9861.

This Brochure's information has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. Nothing in this document is to be construed as a recommendation or an endorsement by the SEC or any state securities authority or an offer of securities; please refer to actual investment offering and related legal documentation for complete disclosures. Any reference to or use of the terms "registered investment adviser" or "registered" does not imply LotusGroup or any of its associated persons have achieved a certain level of skill or training. Investments involve risk, including the possible loss of principal. An adviser's written and oral communications provide you with information you may use to determine whether to retain their services. As required by federal and state regulations, this Brochure is on file with the appropriate regulatory authorities.

Additional information about LotusGroup Advisors, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*(Click on the link, select "Investment Adviser Firm," and type in the firm's name or CRD #143379.)  
Results will provide you all parts of the firm's disclosure brochures.)*

## Item 2: Summary of Material Changes

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### Update

LotusGroup Advisors reviews its Form ADV Part 2A Brochure at least annually to confirm it remains current. In this item, we are required to summarize only those material changes made to our Brochure since our last annual updating amendment of March 2021. Since our previous annual amendment, changes have been made to the following Brochure areas:

#### *Personnel*

LotusGroup made changes as follows to the below Advisor Representative Form ADV 2B Brochure Supplements ("IAR Brochures"):

- Paul F. Viguerie – no longer employed with the Firm as of 5/18/2021, voluntary termination of agreement; removed from ADV.

### Full Brochure Availability

This Form ADV Part 2A Brochure applies to all LotusGroup advisory accounts, including any accounts a client may open in the future. The adviser may, at any time, amend this document to reflect changes in its business practices or for other required updates as mandated by securities regulators. Annually, we will provide clients - either by electronic means or by hard copy, with a copy of this Brochure or a "summary of material changes" notice from the document previously distributed.

Please retain this for future reference as it contains essential information concerning our advisory services and business. At any time, you may view the current disclosure brochures on-line at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or CRD #143379. You may also request a copy by contacting us at 720.593.9861.

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## Item 4: Advisory Business

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### Description of the Advisory Firm

LotusGroup Advisors, LLC (hereinafter "LotusGroup" or "LGA") is a privately-held Registered Investment Advisor company that was formed on December 22, 2006, and is organized as a limited liability company under the laws of the State of Colorado. The Firm has been in business since January 2007. It is principally owned by Raphael A. Martorello, Managing Partner (86.76%), and Andleib "Andy" Seth, Partner (9.64%), Nicholas S. Pirnack, Partner and Senior Advisor (1.8%), and Stephanie L. Schlemeyer, Partner and Product Manager (1.8%). LGA is authorized to do business in any state but also has specific registrations in the states of California, Colorado, New Hampshire, New York., and Texas. *(Please refer to Form ADV Part 2B for details of their formal education and business background.)*

### Types of Advisory Services

LotusGroup offers the following services to advisory clients:

#### *Financial Planning & Portfolio Management*

LotusGroup Advisors offers financial planning services and advice, investment advisory and portfolio management services for private clients, solicited clients, and companies (all collectively called "clients" going forward in this document) through a Full Trading Authorization and a Limited Power of Attorney.

LotusGroup Advisor's minimum asset requirement for new clients is \$500,000. LotusGroup Advisors may make an exception to the minimum asset requirement at its sole discretion. Although this practice is highly recommended for ongoing savings, asset allocation, and tax efficiency purposes, there are no ongoing contribution requirements.

Clients undergo an introductory interview to outline their financial situation and help LotusGroup Advisors set risk tolerance and investment objectives. Clients then choose a portfolio strategy based on their risk profile, investor behavior profile, liquidity needs, and the amount of assets that LotusGroup Advisors will be managing on their behalf. Clients select one of six risk profiles: aggressive, moderate-aggressive, moderate, conservative-moderate, conservative, and ultra-conservative and choose one of six portfolio strategies based on behavior profile and assets: emerging, global index, global rotation, tactical active, tactical absolute, and private investment only.

LotusGroup Advisors meets with clients periodically to review their financial situation, answer questions, and determine if any adjustments are needed relative to their financial objectives, risk tolerance, and time horizon. For individual clients who have expressed interest, we offer a complimentary financial scenario analysis and goal tracking service to help them make major life decisions (e.g., moving to a different state, change in jobs, retirement projections, cash flow analysis, college planning, etc.), and to help them track how they are doing against their goals, on an ongoing basis.

LotusGroup Advisors does not participate in wrap fee programs by providing portfolio management services and therefore receives no portion of a wrap fee for our services. LotusGroup Advisors pays referral fees to solicitors in exchange for client referrals.

LotusGroup Advisors provides the above services, managing \$159,239,465 in client assets, \$73,043,006 on a discretionary basis, and \$86,196,459 on a non-discretionary basis as of March 10, 2021. LotusGroup Advisors performs daily management activities within the guidelines of an Investment Policy Statement ("IPS") without day-to-day client consultation (known as "discretionary" management of assets). All funds are held in a client's account at an independent brokerage firm(s), and each client authorizes invoices to be paid from their account(s).

Also, LotusGroup provides:

1. Account setup and transfers to a selected Broker/Custodian,
2. Development of a Client Investment Policy Statement ("IPS"), along with a personalized savings & investment program,
3. Discretionary selection of specific investments within the program,
4. Periodic adjustment of the asset allocation model within the stated client's category grouping and risk profile,
5. Weekly administration of portfolio rebalancing as assets move outside of a specified target range,
6. Production and distribution of individual quarterly performance reports,

7. Production and delivery of client newsletters every 45 days,
8. Ongoing reviews and updates of client goal-trackers,
9. Personalized advice and analysis to assist in making good decisions,
10. Sourcing, negotiation, and sharing of private investment opportunities enable clients to select the opportunity they would like to participate in, the amount they would like to invest, and an account in which they would like to invest. (The aforementioned is LGA's "non-discretionary" investment management business, wherein each client chooses investments for themselves, with LGA providing access, advice, and ongoing updates. These services are only available for clients that are self-determined as "Accredited" investors.),
11. Ongoing management of the LGA IncomePlus Fund, and
12. Support in setting up 401K plans for small business owners and investment fund line-up evaluation and selection services.

#### *Private Fund Management – LGA IncomePlus Fund, L.P.*

LotusGroup Advisors also serves as the investment manager and provides discretionary advisory services to one (1) private fund, the "LGA IncomePlus Fund, L.P., (the "Fund"), organized as a limited partnership.

As part of LGA's private investment program, the LGA IncomePlus Fund, LP, was launched on January 16, 2018. The Fund is managed by a general partner, PPB LGA Income Management, LLC ("GP"), which is also the fund's fiduciary. LGA is the Fund's investment manager, performing the Fund's sourcing and management of individual investments and investment managers.

The LGA IncomePlus Fund, L.P., seeks to preserve capital by investing in recession-resilient sectors with low correlations to public markets & the economy. Hard assets back all investments, and most deliver attractive current yields ("Income") relative to fixed income options available in the public markets. Additional capital gains accrue upon investment exits ("Plus") for select investments within the Fund.

The Fund provides exclusive access to seven of the firm's pre-existing relationships to achieve its stated goals, using a fund-of-funds approach. LGA has pre-negotiated with these underlying managers to achieve volume discounts and fee reductions on management and incentive fees. Additionally, LGA has negotiated for direct access purchases, such as co-investments. Finally, LGA will be sourcing direct investment opportunities within the Fund's targeted theme of asset-backed and recession-resilient investment categories, defined as investments that are not fully exposed to cyclical market effects during a downturn uncorrelated to economic or public market events.

LGA maintains ongoing monitoring, surveillance, and management of each investment within the Fund and will guide the GP on fund reserves, distributions, and exits. The Fund has a 1-year raise period, a 4-year investment period, and a 2-year wind-down period. (More details on LGA's strategies can be found in 'Item 8: Methods of Analysis, Investment Strategies & Risk of Loss' of this Brochure.)

#### **Client Tailored Services & Client Imposed Restrictions**

LGA offers the same suite of services to all its clients. In rare cases, a client can request that LGA does not sell specific legacy security (e.g., an inherited stock with large capital appreciation).

Clients can impose restrictions on investing in certain securities or types of securities by their values or beliefs. However, if the restrictions prevent LGA from adequately servicing the client account, or if the limits require LGA to deviate from its standard suite of services, LGA reserves the right to end the relationship.

#### **Item 5: Fees & Compensation**

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Please note, unless a client has received the Firm's disclosure brochure at least 48 hours before signing the investment advisory contract, the client's investment advisory contract may be terminated within five (5) business days of signing the contract without incurring any advisory fees. LotusGroup's payment is dependent upon the type of advisory service performed. Management fees are not negotiable, albeit LGA reserves the right to provide a one-time fee discount to adjust for a specific client situation (e.g., LGA may provide a fee credit for idle cash in the case where a client would like to invest in a private offering that won't be available for several months but deposits money into an account ahead

of time).

## Fee Schedule

### *Investment Management Fees*

The LotusGroup Advisors' management fee is based solely on the client's assets under management. LotusGroup Advisors does not utilize alternative compensation schemes such as mutual fund kickbacks, commissions, performance pay, etc., to align client and advisor interests while minimizing conflicts of interest.

LotusGroup Advisors' management fees range from 0.75% to 2.5% per annum depending on assets under management and investment strategy selected and are clearly articulated in Client Agreements. Solicited clients also have a specific fee schedule based on assets under management and investment strategy picked. Financial planning fees are broken out separately, all of which are clearly articulated in the Solicited Client Agreement. LotusGroup Advisors retains the discretion to negotiate fees. Clients may be able to find advisory services at lower prices, and LGA maintains the discretion to negotiate fees and has a small subset of clients with reduced or free fee schedules, such as direct family, original beta clients, etc.

Pro-rated fees are calculated and billed in advance at the beginning of each calendar quarter, based on the current assets under management before the market opens, on the first day of the quarter, including cash held in accounts. For clarity, private assets are valued based on the last reported value from the applicable fund sponsor, from a third-party firm, or LGA's good faith valuations, all of which may or may not be audited. Actual values may be higher or lower than the amount shown on an offering statement or custodian statement. Consequently, portfolio values may reflect estimated values, and prices may not reflect the value at which securities could be sold.

Fees are deducted mid-quarter on the 45<sup>th</sup> day of the quarter. For the first quarter, the billing statement is prorated based on the client's start date. The client's start date is the date both parties sign the contract. However, management fees are not calculated or charged until the first day when funds arrive in the client's account(s). Upon account closure (at-will by either party), prorated fees will either be collected from or returned to the client based on the day funds are withdrawn from Advisor's supervision by terminating the Client Agreement in writing.

LotusGroup Advisors automatically deduct advisory Fees from the Client's account. In all cases, the Client receives an invoice from LotusGroup Advisors before the withdrawal. The client authorizes withdrawals through a signed Customer Agreement and written authorization with the Custodian. Invoices are sent to clients at the beginning of each quarter, but no later than the 15<sup>th</sup> day of the first month in the quarter, along with their quarterly reporting packet. The Custodian also sends monthly account statements to the Client with the management fee transaction displayed in its withdrawal month. LotusGroup Advisors sends the Custodian invoices for withdrawal of fees on the 45<sup>th</sup> day of the quarter.

Clients incur portfolio expenses from brokerage transaction fees, wire transfer fees, annual private asset custodian fees, and underlying mutual fund and ETF expenses. LotusGroup Advisors has taken numerous steps to minimize these investment costs by selecting a lower-cost brokerage for clients to access, utilizing many free or no-transaction-fee funds, and selecting lower-cost ETF funds for the predominant portion of client portfolios. Please refer to 'Item 12' of this brochure for more information regarding brokerage practices.

### *Private Investment Fund Fees - LGA IncomePlus Fund, L.P.*

The Fund has two share classes, Class A and Class B.

Class A is for existing LGA clients and includes a 0% management fee to eliminate redundancy for clients already paying a management fee for wealth management services. Class A investors are charged a 5% incentive fee on distributed Fund gains only after 100% of their capital is returned compared to industry-standard incentive fees of 10-20%. The Fund charges 0% in up-front commissions, versus 3-5% fees often confronted (and in some cases 8-10%). The intent is to minimize conflicts of interest for existing clients to choose to invest in the Fund versus other alternatives with LGA (public investments, cash, direct private placements, etc.). The 5% incentive fee does present conflict in that there are slightly higher fees for LGA to receive on the back-end, but these are mainly to cover LGA's additional costs in creating and administering the Fund for clients. To align LGA's interests with those of our clients, we have structured these fees to be received only on the back end, after clients have received all invested capital.

Class B shares are for non-LGA clients who want to access the asset class but who prefer to manage the remainder of their assets outside of LGA. Class B shares have a 1% management fee and a 10% incentive fee, but Class B investors are not charged a management fee as a wealth management client. In all cases, investors must be a Qualified Client, a higher designation than only an Accredited Investor.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

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LGA's wealth management fee is based solely on client assets under management. We do not utilize alternative compensation schemes such as mutual fund kickbacks, commissions, performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets), or attempt to help align client and advisor interests.

Consequently, we do not engage in the side-by-side management of accounts charged a performance-based fee with accounts charged with another type of fee (such as assets under management). As described above, we provide our services for an advisory fee based upon a percentage of a client's assets under management, which is by state and federal requirements.

Concerning our LGA IncomePlus Fund, L.P., an incentive fee is included; after all, capital is returned to investors. (For more information on the Fund, refer to Items 4, 5, and 8.)

## **Item 7: Types of Clients**

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LotusGroup Advisors provides discretionary and non-discretionary investment advice and supervisory management services and solicits several types of clients, including the following:

- Private individuals (taxable accounts, retirement accounts, educational accounts)
- High-net-worth individuals
- Pooled investment vehicles (other than investment companies and business development companies)
- Trusts (personal and business accounts)
- Companies that have excess cash that they would like to have invested conservatively
- Pension and profit-sharing plans (but not the plan participants or government pension plans)
- Other investment advisors

### **Minimum Account Size**

The minimum asset requirement for new wealth management clients is \$500,000. LotusGroup Advisors can make an exception to the minimum asset requirement at its sole discretion. The minimum asset requirement for investors in the LGA IncomePlus Fund is \$250,000. LotusGroup Advisors has the discretion to accept a lower minimum at its sole discretion.

### *Private Investment Fund - LGA IncomePlus Fund, L.P. Clients*

Details concerning applicable LGA IncomePlus Fund investor suitability criteria are outlined in the applicable Fund's Governing Documents. The minimum commitment for an investor is described in the applicable Fund's Governing Documents, including LGA's discretion to accept less than the minimum investment threshold. Each investor in the Fund who is a U.S. Person (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) is required to meet specific suitability qualifications, such as being an "accredited investor" as defined under Rule 501(a) of Regulation D of the Securities Act.

### *Private Investment Fund - LGA IncomePlus Fund, L.P., Minimum Account Size*

The Fund has a minimum investment as outlined in its offering documents. The minimum investment is typically subject to the discretion of the Funds' GP or managing member (as applicable), which might permit investments of a smaller amount generally or concerning any investor.



## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

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### Analysis & Strategies

LotusGroup Advisors maintains a list of investable asset classes and our preferred investment product(s) within these asset classes. This list is continually refined as market conditions change and new products become available. Such investment products are evaluated continuously through a combination of our independent analysis and purchased research, intending to find the lowest cost and best performing options for our clients; LGA does not receive commissions for selecting Fund A versus Fund B (this is done to maintain our independence, to act in the best interests of clients, and avoid conflicts of interest).

LotusGroup Advisors then provides clients with the following investment choices within their stated client grouping and risk profile, referencing the investable asset/product list described above:

- **Strategic Asset Allocation:** The Global Index portfolio aligns with the efficient market theory and is invested in a diversified portfolio where the assets are held and rebalanced periodically to keep allocations aligned with their strategy. The Global Rotation portfolio uses a similar approach. The portfolio is diversified and fully invested; however, it adds quantitative analysis to overweight or underweight asset classes relative to the Index model.
- **Tactical Asset Allocation:** Quantitative analysis using LotusGroup Advisors proprietary 5-forces methodology (Fuel, Valuation, Sentiment, Technicals, Currency Effects) to develop investment targets for the various asset classes in each client's portfolio (e.g., x% of a client's portfolio to be invested in US-Large Cap Equity for Q2/2011). Investments that have historically exhibited higher returns and higher volatility will have larger targets in more aggressive portfolios. In contrast, lower returning / lower volatility investments will have larger targets in more conservative portfolios. Additionally, client portfolios must be adjusted for the products available within their brokerage accounts (e.g., if x% is dedicated to Long-Short funds, and they do not exist in a client's limited 401K account, then this asset class is over-weighted in their unrestricted brokerage account(s)). As opposed to managers who develop their targets one time, LotusGroup Advisors conducts this analysis and makes investable changes quarterly (semi-annually for emerging clients).
- **Active Trading Services:** Utilization of various LotusGroup Advisors proprietary trading strategies to lock-in profits and reduce or hedge against downturns. Active trading strategies include:
  - Technical value stops
  - Technical trailing stops
  - VXX short-term hedging model
  - NAV premium or discount model
- **Rebalancing:** Buying of investments that have declined below their % targets by a defined variance and selling investments that have risen above their % targets by a defined variance to rebalance the portfolio to its targeted levels, effectively buying low and selling high in a systematic manner.
- **Private Investments:** A rigorous sourcing process is used to identify, evaluate, and negotiate with private investment fund managers (General Partners or "GP"). Negotiations include investment terms and fees/costs and access to private placements for LGA clients (for example negotiating underlying GP management fees from 2% down to 1.5% or negotiating investment minimums from \$250K down to \$100K). Once clients are invested, LGA maintains ongoing monitoring, surveillance, and management of each investment, including guidance to GPs on fund reserves, distributions, and exits.

Typical public market investments include ETFs, closed-end funds, open-ended funds, and individual company stocks across a broad base of different asset classes: US stocks, US bonds, Foreign stock, Foreign bonds, Emerging Markets, Raw Materials, Energy, Precious Metals, REITs, Currencies, Managed Futures, Long-Short Strategies, Absolute Return Strategies, Merger Arbitrage Strategies. Typical private investments include infrastructure holdings, real estate equity, real estate debt, private debt, special situations, litigation financing, life settlements, and private equity.

For public market investments, both fundamental and technical analyses are used to select individual positions. In contrast, volatility-determined price targets help determine entry and exit prices lock in profits, and minimize losses. Fundamental analysis includes quantitative and qualitative analysis of economic, valuation, sentiment, and currency



variables. In contrast, technical analysis predominantly consists of charting techniques to identify patterns and key price points for decision-making. Money management principles are then applied to limit the exposure of a client's portfolio to the effects of any single investment.

While LotusGroup Advisors works hard to maximize client returns within an acceptable level of volatility for each client, investing involves the risk of loss that clients should be prepared to bear. There is potential for a drag on performance for more active strategies due to increased transaction costs and taxes. We attempt to minimize this drag using commission-free and low-cost ETFs where the possible and intelligent placement of more actively traded investments within non-taxable retirement accounts.

### Risks of Loss

LGA seeks investment strategies that do not involve significant or unusual risk beyond the general domestic and international equity markets. However, investing in securities, in general, involves a risk of loss. LGA's investment recommendations are subject to various market, currency, economic, political, and business risks, and such investment decisions are not always profitable. Clients should be aware that there could be a loss or depreciation to the client's account's value, which clients should be prepared to bear. There can be no assurance that the client's investment objectives will be obtained, and no inference to the contrary should be made. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Consequently, the value of the client's account can, at any time, be worth more or less than the amount invested.

### Risks Involved in Particular Types of Investments

- **Stock Market Risk:** The market value of stocks will generally fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term due to factors affecting the individual companies, industries, or the securities market. The past performance of investments is no guarantee of future results.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before generating a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment.
- **Currency Risk:** Overseas investments are subject to fluctuations in the dollar's value against the investment's originating country's currency. This risk is also referred to as exchange rate risk.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations can result in bankruptcy and declining market value.
- **Liquidity Risk:** Liquidity is the ability to convert an investment into cash readily. Assets are generally more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Political & Legislative Risk:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those that conduct a substantial amount of their business outside of the United States.
- **Reinvestment Risk:** This is the risk that future proceeds from investments will have to be reinvested at a potentially lower rate of return (i.e., interest rate). This risk primarily relates to fixed-income securities.
- **Alternative Asset Risk:** May increase the risk of investment loss and be highly illiquid and not required to provide investors with periodic pricing or valuations. They may involve complex tax structures and delays in distributing important tax information and are not subject to the same regulatory requirements as mutual funds. Investors in these products are often charged high fees, which may offset any trading profits; investors may incur asset-based charges and expenses at the fund level and indirect fees, expenses, and asset-based compensation of investment funds in which these funds invest. In many cases, they include underlying investments that are not transparent and are known only to the investment manager. Alternative investment returns may fluctuate and are subject to market volatility; an investor's shares, when redeemed or sold, may be worth more or less than their original cost. An investor could lose all or a substantial

amount of their investment. Alternative investment fund account managers often have total trading authority over their funds or accounts; using a single adviser applying (usually) similar trading programs could mean a lack of diversification and, consequently, higher risk. Managers typically seek absolute positive investment performance by targeting a specific range of performance and attempting to produce targeted returns irrespective of the stock market's underlying trends. There can be no assurances that a manager's strategy (hedging or otherwise) will be successful or that a manager will use these strategies concerning all or any portion of a portfolio. Please read the investment's Private Placement Memorandum and associated legal documents and consult your Financial Advisor, tax advisor, and legal counsel for a complete description of the risks associated with this type of investment.

***Past performance is not a guarantee of future returns.***

***Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.***

#### Private Investment Fund - LGA IncomePlus Fund, L.P. Risks

The following is an explanation of the material risks LGA believes are associated with its investment strategy. Further discussion of these and other risks associated with an investment in the Fund is outlined in the applicable Fund's Governing Documents. The following risk factors do not purport to be a complete list or explanation of all the risks associated with an investment in the Fund.

- **General:** No guarantee or representation is made that the Fund's investment program will be successful. The Fund invests in assets that could be classified as highly illiquid. An investor should only invest in a Fund if the investor can withstand a total loss of its investment. Past investment performance is not a guarantee of the Fund's future results or any Fund investment.
- **Dependence on Key Individuals; No Right to Control the Fund's Operations:** Under the Fund's Governing Documents, investors will have no rights concerning the control of the Fund's day-to-day operations of the Fund's business, including investment and disposition decisions. To protect their limited liability from the Fund's liabilities and obligations, investors must rely entirely on LGA to conduct and manage the Fund's affairs. The success of the Fund is expected to depend significantly upon the expertise of the certain Key Persons. There can be no assurance that current LGA personnel will continue to manage the Fund throughout its term. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Fund and the value of an investment in the Fund. Although investment professionals employed by LGA will commit a portion of their business efforts to the Fund, except as can be required by the Fund's Governing Documents, they are not required to devote all of their business time to the Fund's affairs; they will devote business time to other aspects of LGA's business.
- **Absence of Regulatory Oversight of the Fund:** The Fund is not required to register as an investment company under the Investment Company Act and is not required to adhere to certain investor protection requirements thereunder.
- **No Assurance of Investment Return:** Neither the Fund, its General Partners, or managing members, LGA, or any other person can assure that they will be able to choose, make and realize investments in any particular investment or portfolio of investments. There is no assurance that the Fund will generate returns for its investors (specified herein or otherwise) or that the returns will be commensurate with the risks of investing in the types of investments and transactions described herein or comparable to the Fund's targeted returns. The marketability and value of any such investment will depend upon many factors beyond the control of LGA. The Fund could suffer defaults on its investments and might find it difficult or uneconomic to realize its investments. An investor could lose the entire amount of their contributed capital and only invest in a Fund if they can withstand a total loss of their investment. While LGA intends to make investments that have projected returns commensurate with the risks undertaken, a total loss of the investment is possible on any given investment.
- **Uncertainty of Financial Projections:** Financial projections are by their nature inherently subject to risk and are dependent upon some factors, not all of which are within the control of the Fund. Some of the factors that will affect the Fund's results include political events, taxes, access to capital, competition with other institutions, some of which could have more significant financial resources than LGA, financing risks, cap rates, interest rates, and others. While the bases for any returns are believed to be reasonable by LGA's management, actual events will likely differ from LGA's assumptions such that actual results will similarly differ from those presented. Accordingly, there can be no assurance that returns will be achieved, and actual

results may vary significantly from such expected returns.

- **Valuation of Fund Investments:** The Fund's portfolio investments are not expected to be publicly traded. As such, the fair value of investments might not be readily determinable. Because valuations of private investments are inherently uncertain and could be based on estimates, LGA's determinations of fair value may differ materially from the values that would have been used if a readily available market for these investments existed and may differ materially from the values that the Funds may ultimately realize.
- **Potential Conflict of Interest:** Important to note that the LGA IncomePlus Fund has invested in the LotusGroup Longevity Fund, LLC, which is managed by the commonly-controlled adviser, LotusGroup Capital, LLC ("LGC"). Therefore, investors in LGA IncomePlus Fund should be aware that a layered-fee is assessed. This arrangement is a conflict of interest given LGA's status as the Investment Manager of the LGA IncomePlus Fund and LGA's influence on the GP of the fund in making this selection. LGA mitigates this risk by not being the GP of LGA IncomePlus Fund. Instead, the fund's GP is PPB Capital, whose team evaluates the recommendation and makes the ultimate investment decisions.
- **Changes in Regulation & Enforcement; Litigation:** The businesses of the Fund, LGA, as well as the financial services industry generally, are subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations or exchanges in the United States and foreign jurisdictions in which they operate. These relate to, among other things, antitrust law, anti-money laundering laws, anti-bribery laws, laws about foreign officials, privacy laws concerning client information, and the regulatory oversight of the trading and other investment activities of alternative asset management funds and their investment advisers, including the Fund and LGA. Each regulatory body with jurisdiction over the Fund and LGA has the regulatory powers dealing with many aspects of financial services, including the authority to grant. In specific circumstances, it can cancel permissions to carry on particular activities. Any failure to comply with these rules and regulations could expose the Fund or LGA to liability or other risks.

The additional legislation, increasing global regulatory oversight of fundraising activities, and changes in the law relating to the alternative asset management industry have been particularly acute in the recent global financial crisis. This additional scrutiny has included, among other things, increased registration, oversight, and regulation of alternative asset management firms and disclosure concerning these firms and the vehicles they sponsor or advise, which could impact LGA's management of the Fund. Such oversight and regulation may cause the Fund to incur additional expenses, divert the attention of LGA and its personnel, and result in fines if the Fund is deemed to have violated any regulations. Regulation generally and regulation more addressed explicitly to the alternative asset management industry, including tax laws and regulation, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of enterprises, and the cost of operating the Fund. Additional regulation could also increase the risk of 3rd party litigation. The transactional nature of the Fund's business exposes the Fund, LGA, and certain related parties generally to the risks of 3rd party litigation. Under the Governing Documents, the Fund will generally be responsible for indemnifying their General Partner or Managing Member, as applicable, LGA, and certain related parties for losses or obligations they may incur concerning such litigation.

- **Changes in Law:** The Fund is subject to laws and regulations in various jurisdictions, including the state or local levels. These laws and regulations, as well as their interpretation, could change from time to time. Accordingly, any change in these laws or regulations, or their understanding or any failure by LGA or its affiliates to comply with these laws or regulations might adversely affect the Fund. Also, the current tax treatment of an investment in the Fund may be modified by legislative, judicial, or administrative action at any time, and any such action could affect investments and commitments previously made. The rules dealing with taxation are constantly under review by persons involved in the legislative, administrative, and judicial process, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Modifications in the tax laws could adversely affect the Fund's tax consequences or the tax consequences of an investment in the Fund.

It is impossible to predict the degree of profitability that may be achieved from the investment strategies described above. In particular, in some circumstances, LGA's investment practices may increase any adverse impact on which an investment portfolio may be subject. LGA endeavors to commit resources among the various investments and strategies consistent with the philosophy and process articulated above

and respond to changing market conditions and opportunities. The preceding discussion includes and is based upon LGA's assumptions and opinions concerning world financial markets and other matters, the accuracy of which cannot be assured. The description set forth above is general and is not intended to be exhaustive. Investment risks are substantial, and investors could realize losses rather than gains from some or all the investments described herein. Investing in securities involves the risk of losing that clients should be prepared to bear.

## Item 9: Disciplinary Information

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Registered investment advisers such as LGA are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or prospective client's evaluation of LGA or its management's integrity. LGA does not have any such legal or disciplinary events in its history and therefore has no information to disclose concerning this Item. LotusGroup Advisors and its Investment Advisor Representatives possess a clean legal and disciplinary record (i.e., no criminal or civil actions, no administrative proceedings before the SEC or any state regulatory agency, or proceedings before a self-regulatory organization). There may be items contained on [www.brokercheck.finra.org](http://www.brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider when evaluating your advisor's background.

## Item 10: Other Financial Industry Activities & Affiliations

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LotusGroup Advisors uses third-party resources to help run its business and provide services to Clients, most of which are back-office related. The significant primary two third-party resources used are Evestnet Tamarac ("Tamarac") and Noon Dalton. Tamarac provides daily custodial data downloading and reconciliation services on client accounts. Noon Dalton provides paperwork processing services, internal quality checks, and internal report generation to the Firm.

While LotusGroup Advisors has developed a network of professionals to help support client needs (e.g., accountants, lawyers, and insurance businesses), LotusGroup Advisors and its advisors never receive any compensation in return for such referrals. In doing so, LotusGroup Advisors sources these professionals with a focus on finding the highest value-add, lowest cost providers to service its clients, acting in a client's best interest with fiduciary responsibility.

### Related Parties

#### *LotusGroup Capital, LLC*

LotusGroup Advisors has a related party in the common-controlled firm, LotusGroup Capital ("LGC"). LotusGroup Capital's principal owners are Raphael A. Martorello, Managing Member (72.5%), Louis C. Frank, Partner and Private Portfolio Manager (2.5%), and Quail Creek Production Corporation (25%).

LGC offers a specific advisory service; it manages a private investment fund and provides insurance services consulting to third-party life settlement investors and funds. Mr. Martorello formed and managed both the advisory firm, LGC and the private investment fund it manages, LotusGroup Longevity Fund, LLC ("LLF"). LGC, a Delaware limited liability company, launched on October 15, 2018, serves as the Managing Member, the Investment Manager, and the fiduciary of the LLF (Fund).

LGC's client is LLF, to whom the Adviser provides discretionary advisory services. LGC's role is to perform the sourcing and management of individual investments and the various service providers to LLF, which seeks to pool investment funds of its investors (each, a "Member") for the primary purpose of long-term capital appreciation and a secondary goal of generating income. LLF seeks to achieve its objective by investing primarily in a variety of life settlement contracts with Net Asset Value ("NAV") that increase over time, with potential sales of such contracts to generate gains and eventual maturities that produce realized gains/income to the Fund."

LGC, as the Adviser and Fund Manager, maintains sole and complete authority to manage the Fund's activities and those of its affiliated Partner: LLF (Special Member), LLC, the Adviser's carried interest holding company. *(Please see Mr. Martorello's LGC Form ADV Part 2B – Brochure Supplement for additional details on his formal education, business background, and outside business activities.)*

## Item 11: Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading

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According to Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), LGA has adopted a written code of ethics ("Code of Ethics"), which is designed to address and avoid potential conflicts of interest and applies to all Covered Persons. The Code of Ethics may also be used by any other person designated by the LGA Chief Compliance Officer (the "CCO").

A summary of the Code of Ethics is provided below. A full copy of the Code of Ethics will be made available to investors in each Fund upon written request.

LotusGroup Advisors has a comprehensive, 14-page Policies, Procedures & Code of Ethics document signed by all Covered Persons (employees) and is tracked quarterly by the Firm's CCO. For each of the following topics, LotusGroup Advisors' Code of Ethics spells out the policy, the purpose, and the procedure for daily implementation:

- Material, Non-Public Information & Insider Trading
- Disaster Recovery, Contingency Planning & Internal Controls
- Privacy Policy
- Valuation of Securities in Client's Accounts
- Portfolio Management & Records Management Processes
- Personal Securities Trading
- Trading – Best Execution
- Proxy Voting
- Senior Advisor Responsibilities
- Selection & Supervision of Solicitors
- Code of Ethics

Suppose LotusGroup Advisors make a profit and gain from a trading error. In that case, the handling of such credits in the Error Account shall be distributed to the non-profit organization Minds Matter of Denver. Address: PO Box 48162, Denver, CO 80204. Tax ID: 20-1449487.

The LotusGroup Advisors Investment Team currently consists of Raphael A. Martorello, Stephanie L. Schlemeyer, Louis C. Frank, and Christofer Breggin. Mr. Martorello actively makes investments/trades in securities on behalf of his portfolios, which may be like those made on behalf of LotusGroup Advisors clients. The Investment Team believes in their approach and, thus, employs those same strategies in their investments, slotting most of their public investments into the appropriate client category and risk profile described in 'Item 4' earlier in this document. All rules are followed for client portfolios and Mr. Martorello's portfolio to mitigate Mr. Martorello's conflict of interest, benefiting from combining his trade(s) in some unfair way with client trades. All capable orders are grouped into block trades, and clients receive the same execution price, except independent orders made during our weekly rebalancing. When clients are rebalanced weekly, they are completed in alphabetical order of the last name, which neither intentionally benefits nor harms any particular client, as it is impossible ahead of time to predict whether a purchase or sale decision will improve or worsen throughout the time it takes to fulfill all the client rebalances on any given day.

Occasionally, Mr. Martorello takes small personal positions in more risky investments such as individual micro-cap stocks, options, and private investment opportunities (e.g., real estate projects, oil exploration interests, etc.), which tend to be inappropriate for client portfolios or investment objectives. Additionally, Mr. Martorello periodically tests new trading strategies with small amounts of money in his accounts to understand the real-life impact of new investment or trading models. These early-stage research activities are inappropriate for LotusGroup Advisors clients and are limited to Mr. Martorello's account. As new strategies are validated, they may be incorporated into client portfolios if deemed appropriate for helping to achieve their investment objectives.

Client trades and interests are always placed ahead of Mr. Martorello, and we never commingle a client sell with a personal buy and vice versa. Additionally, a preferred Broker/Custodian is utilized with each client, and this party has the responsibility for the effective execution of trades placed. Further details of how we mitigate conflicts of interest in personal investing/trading can be found in our comprehensive Policies, Procedures, and Code of Ethics document



described earlier in this section (specifically within our policies on Personal Securities Trading and Trading - Best Execution).

Quarterly, LGA's Chief Compliance Officer ("CCO") performs an Access Person Trading Review by reviewing every trade made by the firm and is evaluated against everyone on the LGA investment team and all IAR's of the firm to ensure full compliance with trading policies and procedures, and that no conflicts have occurred. The LGA process is to alert our Chief Compliance Officer if a conflict occurred immediately, responsible for dealing with such situations. To date, there have never been any conflicts uncovered in LGA's entire history of existence.

## **Item 12: Brokerage Practices**

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LotusGroup Advisors suggests that clients use a LotusGroup Advisors-preferred Broker-Dealer for maintaining funds under management with LotusGroup Advisors. Both retirement and non-retirement accounts are set up and kept for customers with the Broker-Dealer. LotusGroup Advisors strives to maintain consistent trading, reporting, and investment operation facilitated by a single Broker-Dealer usage.

The preferred Broker-Dealer was selected using the following criteria:

- Competitive trading commissions costs,
- Customer service levels,
- Reporting tools, including cost basis and 1099 reports facilitating tax management strategies,
- Personal money management tools
  - Electronic fund transfer capabilities
  - Dividend reinvestment programs
  - Electronic communication delivery capabilities
- Financial stability to ensure individual accounts, including primary and backup account insurance.

LotusGroup Advisors has chosen TD Ameritrade Institutional as its preferred-broker dealer and participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers independent investment advisory services, including custody of securities, trade execution, clearance, and transaction settlement.

Additionally, LotusGroup Advisors always endeavors to put its clients' interests first, in compliance with their fiduciary duties as a Registered Investment Advisor.

Other products or services assist LotusGroup Advisors in managing and administering client accounts not maintained at TD Ameritrade (e.g., 401Ks, 529s, Annuities, etc.). LGA chooses to offer a holistic approach to portfolio management of our clients so that the firm can assist in managing accounts not maintained at TD Ameritrade (e.g., 401Ks, 529s, Annuities, etc.). The firm's position is that full client financial planning can be more comprehensive in offering such services. Consequently, these technologies and services are critical for LotusGroup Advisors to provide the services contracted for with clients. Furthermore, despite our required disclosures above, we have evaluated industry-wide brokerage services and fees. We believe that TD Ameritrade offers exceptional total value for the commission charged on each transaction relative to the services it provides, as compared to its peers.

For 401K, 403B, 457, and 529 accounts under management, LotusGroup Advisors client accounts remain with their company- or state-sponsored plan (e.g., Fidelity, Franklin, etc.), but the data is incorporated daily into the overall asset allocation model through our portfolio management tool and is also included in the client's quarterly performance report.

LotusGroup Advisors aggregates client orders (purchases or sales of securities) whenever possible to ensure the same pricing and fairness for all clients. The only time we may choose not to aggregate orders is if we have a full rebalance to complete for a client that includes a trade in which all other clients are participating. For example, if we are buying security x for all clients, and at the same time a new client starts on the same day that requires all securities to be



purchased, we may choose to use our portfolio management system to create all the trades necessary for this new client separately from the block trade for all our other clients. However, as soon as this new client is balanced and, in the system, all new client orders going forward will have this client aggregated with others in block trades.

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

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LotusGroup Advisor's investment team conducts quarterly or semi-annual reviews for significant asset allocation changes (described in Item 8). Intra-quarter, the investment team reviews accounts on a weekly or monthly schedule for rebalancing purposes. The products dictate the frequency of reviews in a client's portfolio and each trade's average size. For example, LotusGroup Advisors uses no-transaction-fee mutual funds for smaller clients since their average trade size is small, and a regular \$7.99 ETF trade would hurt their performance. However, these mutual funds tend to have 30-day holding rules for buying and selling, so LotusGroup Advisors cannot review them more often than monthly. Larger clients use low-cost ETFs and can be reviewed more frequently, so LotusGroup Advisors reviews them weekly or daily if the market is highly turbulent. An opportunity arises to take a quick profit or buy back in at a low-cost.

LotusGroup Advisors also tracks the client's positions daily to evaluate if they are getting overheated or are breaking down. LotusGroup Advisors' investment team charts all client positions monthly and establishes upside (overheating) and downside (breaking down) price targets. LotusGroup Advisors then downloads data daily to compare the current price to the price targets. As price targets are realized, the LotusGroup Advisors investment team makes decisions on the affected products and decides whether to take action on clients that hold this position.

#### ***Investment Review & Portfolio Adjustment Summary***

- Quarterly/Semi-Annually - Major Asset Allocation Adjustments
- Weekly/Monthly - Rebalancing
- Monthly - Client Account Review to Confirm Appropriate Client Grouping (Described in Item 4)
- Daily - Individual Position Monitoring for Upside & Downside Price Targets

Our Private Client Advisors offer to conduct a minimum of one formal client review per year, go over client objectives, results from the previous year, and since inception, risk profiles, new considerations for the upcoming year, and other relevant factors. Clients are also encouraged to contact our advisors if there are any material items to be discussed before the more formal annual review. Many clients have specific requests of LotusGroup Advisors to consider. Our advisors schedule reminders for clients throughout the year (e.g., quarterly gain/loss reports for business owners, savings reminders, etc.). Finally, some clients request a specific analysis from our advisors to help them with financial planning, goal-tracking, scenario analysis, college savings, diversification, insurance reviews, private investment opinions, etc. These requests are handled ad-hoc and are put into a calendar to track on an ongoing basis (e.g., the client agrees to sit down bi-annually to review the savings plan and goal-tracker with our advisor). Where possible, our advisors are proactive with identifying when a client will have a particular need (e.g., when a client family has a first child, it triggers a request from our advisor to discuss financial planning, goal-tracking, college savings, and term life insurance considerations). There is no additional charge for these client reviews and analyses, as they are considered part of providing exceptional service to the client.

Clients receive the following reports:

- LotusGroup Advisors preferred broker-dealer, TD Ameritrade, provides monthly account statements, trade confirmations, investor notifications, and year-end tax reports
- LotusGroup Advisors provides quarterly performance reports with since-inception, quarter-to-date, and year-to-date statistics (all reported net of fees). These reports are generated automatically from our Portfolio Management System.
- LotusGroup Advisors provides clients with newsletters in the form of a blog post every 45 days

## Item 14: Client Referrals & Other Compensation

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LotusGroup Advisors restrict the practice of kickbacks or payment from third-parties to LotusGroup Advisors for utilization of their investment products or advice with clients. While others may practice this endeavor, we believe it creates an insurmountable conflict of interest in providing advice and service to clients. LotusGroup Advisors does not accept compensation for using a 3<sup>rd</sup> party investment product with our clients and are proud to remain 100% independent and aligned with our client's best interest, consistently searching for the best investments at the lowest costs.

LotusGroup Advisors has engaged in a Solicitor's Agreement with Solicitors to pay fees for client referrals. Solicitors serve as a consultant and independent contractor and not as an employee of LotusGroup Advisors. Solicitors solicit and refer as clients to LotusGroup Advisors, those individuals or entities suitable and appropriate for the investment advisory services provided by LotusGroup Advisors.

Solicitor does not have any authority to accept any client(s) on behalf of LotusGroup Advisors. LotusGroup Advisors does not have any responsibility to take any prospective client referred by Solicitor. The solicitation services may also include impersonal advisory services, which include: (i) written materials or oral statements which do not purport to meet the objectives or needs of the specific client, (ii) statistical information containing no expressions of opinions as to the investment merits of particular securities, and (iii) regular contact, if requested or appropriate, to assist the Solicited Client in understanding the advisory services of LotusGroup Advisors and obtaining or updating client information on behalf of LotusGroup Advisors. Any specific client advice will be delivered to Solicited Client by LotusGroup Advisors, and LotusGroup Advisors shall provide any formal financial planning for Solicited Client.

Solicitor Payout comes out of Client Fee; it is not in addition to Client Fee, and as such, clients do not pay a higher fee than if they had contracted directly with LotusGroup Advisors. Solicitor payouts range from 0 – 30% of collected client fees.

## Item 15: Custody

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LotusGroup does not accept or permit the firm or its Associates to obtain custody of client assets, including cash, securities, acting as a trustee, provide bill-paying service. However, the exception being, advisors do gain password access to "held away" accounts such as 401K, 403b, 529 plans, and the like, which are not held at TD Ameritrade. This practice allows advisors to manage an entire portfolio holistically. In these instances, a client would complete a Limited Power of Attorney or LPOA, providing the firm with credentials to make trades on behalf of the client and align with their goals and the limitations of such account types.

The Adviser will not take title to any assets or have the authority to withdraw funds from the client's Accounts, except to cover payment of the agreed to "Advisory Management Fees" specified within the client's Advisory Services Agreement or at the client's specific and written direction. All checks or wire transfers to fund client Accounts must be made out to/sent to the client's Custodian.

Regardless of the above, under federal regulations, LotusGroup Advisors is deemed to have custody of client assets if a client authorizes the Adviser to instruct the Custodian to deduct the Adviser's Advisory Fees from their Account directly. Concerning such transactions, LotusGroup observes the following points noted in the SEC's No-Action Letter of February 21, 2017, for any Advisory Fee debited directly from a client's Custodial Account.

For client Accounts in which LotusGroup directly debits Advisory Fees:

1. The client will provide written instruction to their Custodian, which includes the client's signature, LotusGroup's name, and either the Adviser's address or their account number at the Custodian to which the transfer should be directed.
2. The client will authorize their Custodian, in writing, to direct transfers to LotusGroup, either on a specified schedule or from time to time.
3. The Custodian will perform appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly

after each transfer.

4. The client terminates or changes the instruction to their Custodian at any time.
5. LotusGroup has no authority or ability to designate or change the identity of the client's instruction.
6. LotusGroup will maintain records showing they are not a related party to the client's Custodian.
7. The Custodian will be asked to send the client, in writing, an initial notice confirming the above instruction and an annual notice reconfirming the instruction.

The Custodian will maintain actual custody of the client's assets. The client will provide the above written limited authorization instructions directly to their Custodian and request the Custodian provide a "transfer of funds" notice to them at their address of record after each Advisory Fee payment transfer occurs. The client will give these instructions either on the qualified Custodian's form or separately.

Clients will receive account statements directly from the Custodian to the email or postal mailing address of record, which the client provided to the Custodian. They will also receive at least quarterly statements from their Custodian reflecting all disbursements for the account, including the amounts of any assessed advisory fees. Clients should review statements provided by their Custodian promptly upon receipt. LotusGroup urges clients to compare the statements they receive directly from their Custodian with the information outlined in any reports or periodic portfolio statements received from the Adviser to ensure all account transactions' accuracy. The reports received from LotusGroup may vary from Custodial statements based on Accounting procedures, reporting dates, or valuation methodologies of individual securities. LotusGroup encourages our clients to promptly raise any questions with us about the custody, safety, or security of their assets.

As per an SEC Q&A guidance issued on May 20, 2010, and the Colorado Division of Securities Rule 51- 4.10(IA).A.1, LotusGroup Advisors does not have custody of non-TD Ameritrade accounts (e.g., 401Ks, 529s, 403Bs, annuities) because a) fees are not directly deducted from these accounts, b) it has not inadvertently received physical securities, c) there are no employees who serve as trustee to a client, d) we cannot withdraw funds or securities based on advisor's instructions and e) we cannot transfer funds or securities into an un-like named account or unqualified custodian. As with TD Ameritrade accounts, we encourage clients to compare monthly/quarterly statements from the broker-dealers on these accounts to LotusGroup Advisors' quarterly reports, ensuring accurate account balance, beneficiary, and address information. LotusGroup Advisors also undergo a surprise audit from a certified 3<sup>rd</sup> party for these "held-away" accounts.

LotusGroup Advisors accepts 3<sup>rd</sup> party checks from TD Ameritrade client accounts only when prior written approval is received from the client by TD Ameritrade. Any 3<sup>rd</sup> party checks received by LotusGroup Advisors are logged appropriately and sent to the 3<sup>rd</sup> party within 24 hours of accepting checks.

#### **Item 16: Investment Discretion**

LotusGroup Advisor's clients sign a full trading authorization agreement through the preferred Broker/Dealer. LotusGroup Advisor's clients also sign a limited power of attorney for 401K, 403B, 457, and 529 accounts held at an alternative broker chosen by their plan sponsor. LotusGroup Advisors has the discretion to select, buy, sell, and determine the quantities of the individual positions for each client account. LotusGroup Advisors is only required to maintain or solicit customers' consent for trades made on positions explicitly discussed during the introductory interview (e.g., inherited stock that the client would like to hold on to for sentimental reasons, etc.).

If a client objects to any investment decision, they may discuss this with LotusGroup Advisors, and a mutually agreed-upon decision will be made and documented if necessary. It is always preferred that the client and LotusGroup Advisors engage in discussions to resolve any potential differences in opinion. However, suppose the client repeatedly acts inconsistent with the mutually agreed upon investment objectives. In that case, LotusGroup Advisors reserves the right to cancel the customer agreement after providing written counsel to the customer. Similarly, the customer reserves the right to cancel their contract with LotusGroup Advisors at any time if they so desire. As it pertains to our private investment program, clients have full discretion to make their choices of which investments to participate in or not.

## Item 17: Voting Client Securities

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LotusGroup Advisors do not participate in proxy voting, and if required, would choose to vote along with board decisions of the underlying security. Clients have the option in their new account setup forms with TD Ameritrade to determine whether they would like LotusGroup Advisors to vote proxies on their behalf. The adviser would instruct the client not to select that option, as the adviser does not vote proxies on the client's behalf. LotusGroup Advisors uses a tactical asset allocation model that trades frequently and typically invests greater than 90% of ETFs or mutual funds (less than 10% in individual securities). When a material item arises on a proxy for which LotusGroup Advisors continues to hold the client's investment position, it is an infrequent occasion.

Consequently, LotusGroup Advisors does not vote proxies instead of focusing on asset selection and allocation amounts on an ongoing basis. If LotusGroup Advisors strongly disagrees with managing a particular investment, LotusGroup Advisors, more often than not, sell the position rather than sticking around and voting the proxy.

On the rare occasion where LotusGroup Advisors is solicited through a phone conversation by a voting proxy company, LotusGroup Advisors would choose to abstain. Again, LotusGroup Advisors decides to sell as the tool of choice if there is disagreement with the fund or management decisions/operations when applicable.

If a client requests a track record for proxy voting, LotusGroup Advisors is happy to provide them with our policy and procedures and provide them with their description as needed. However (again), LotusGroup Advisors does not vote proxies. This eliminates conflicts of interest in our decision-making process. If a client is solicited for their proxy vote, they can direct their vote as per the solicitor's request and directly to the party indicated by the solicitor.

## Item 18: Financial Information

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Since its inception in early 2007, LotusGroup Advisors has been, and continues to be on, solid financial grounds and has no current condition that would impair our abilities to meet commitments to clients. LotusGroup Advisors is 100% self-funded with no debts or outside funding. A balance sheet is not required to be provided as LGA (i) does not solicit fees more than six months in advance; (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients; and (iii) has not been subject to any bankruptcy proceeding during the past ten years.

No member of management, an officer, or a principal of the Adviser has been involved in an award or otherwise found liable in an arbitration claim alleging damages over \$2,500 in an activity involving investment or investment-related business; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices. Further, no member of management, an officer, or a principal of the Adviser has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment-related activity; fraud, false statements or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.

## Item 19: Requirements for State-Registered Advisers

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LGA is a federally registered investment advisory firm.

## Privacy Policy

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LotusGroup Advisors, LLC. (LGA) will ensure the privacy of clients to ensure the safeguarding of our customer's non-public personal information. We collect non-public personal information about clients for business purposes from the following sources:

- Investment Advisory Agreement and New Account Information Form may include their name, address, social security number, income information, net worth, asset statement, tax circumstances, and information about their investment goals and risk tolerance.
- Account History, including information regarding the client's account transactions, may include the parties

to a transaction, the positions held or sold, and pricing.

- Correspondence, including written, telephonic, or electronic between clients, LGA, and any service providers for client's accounts.

We do not disclose nonpublic personal information about clients to non-affiliated third parties, except service providers, and as otherwise permitted by law. We do not sell any personal information about clients to any third-party. In the ordinary course of business, personal information we collect about clients as described above may be shared with financial service providers who provide services on behalf of our client's accounts (such as brokerage firms, custodians, executing brokers, portfolio management software providers, or other client advisors). We may disclose all the information we collect about clients to non-affiliated third-party service providers as necessary to achieve the following:

- To effect, administer, or enforce a transaction that a client requests or authorizes,
- In connection with processing or servicing a financial product or service that a client requests,
- In connection with maintaining or servicing a client's account with the third-party. (For example, information may be disclosed to others to enable them to perform general administrative activities for us, to assist us in processing a transaction authorized or requested by a client, or to execute transactions on a client's behalf in conjunction with our Customer Agreement.),
- As required by a regulatory authority or law enforcement agency,
- For resolving customer disputes or inquiries,
- To persons holding a legal or beneficial interest relating to the customer,
- To our attorneys, accountants, or auditors as deemed necessary,
- In connection with a proposed or actual sale or merger of our firm, and
- To comply with a civil, criminal, or regulatory investigation by federal, state, or local authorities.

We employ reasonable precautions to safeguard private customer information security, including physical, technical, and personnel measures. As it pertains to our website only (not offline information collected):

- We collect information from visitors (customers and consumers) when they subscribe to our newsletter or fill out a form,
- Any of the information we collect is used to send periodic emails originating from LotusGroup advisors,
- we do not sell, trade, or otherwise share collected information with any unaffiliated third parties unless they are included in Item 3 above,
- If at any time customers or consumers would like to unsubscribe from receiving future emails, we have detailed unsubscribe instructions at the bottom of each email,
- We implement a variety of security measures to maintain the safety of personal information,
- We do not use cookies,
- Occasionally, at our discretion, we may include or offer third-party products or services on our website. These third-party sites have separate and independent privacy policies,
- We comply with California's Online Privacy Protection Act and will not distribute personal information to outside parties without the client's consent,
- We comply with the requirements of COPPA (Children's Online Privacy Protection Act), we do not collect information from anyone under 13 years of age on our website,
- By using our website, LGA visitors consent to our website Privacy Policy, and
- If we change our Privacy Policy, we post those changes and the date of such changes.

## Business Continuity Plan

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LotusGroup Advisors has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or critical people. The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers human-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, a chemical event, biological event, T-

1-communications line outage, Internet outage, railway, and aircraft accident. Electronic files are backed up daily and archived offsite.

Other offices are identified to support ongoing operations in the event the main office is unavailable. LotusGroup Advisors intends to contact all clients within five (5) days of a disaster that dictates moving our office to an alternate location.

A summary of the business continuity plan is available upon request to the Chief Compliance Officer.

### **Information Security Program**

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LotusGroup Advisors maintains an information security program to reduce the risk that your personal and confidential information may be breached.





Investment Advisor Representative

**RAPHAEL A. MARTORELLO**

(Individual CRD # 4768833)

*1005 South Gaylord Street  
Denver, CO 80209*

*Email: [info@lgadvisors.com](mailto:info@lgadvisors.com)*

*Website: [www.lgadvisors.com](http://www.lgadvisors.com)*

*Phone: 415.793.8041*

*Fax: 815.572.0566*

May 18, 2021

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The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information you may use to determine whether to hire or retain the Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861 if you did not receive the Firm’s ADV Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Raphael A. Martorello is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*(Click on the link, select “Investment Advisor – Individual,” and type in the above Individual CRD #.)*

## RAPHAEL A. MARTORELLO

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### Date of Birth & Educational Background

Raphael A. Martorello was born in 1974. He received his bachelor's degree in Mechanical Engineering and minor in Economics from The University of Virginia in 1997. Mr. Martorello has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

### Business Background & Experience

- |                    |  |
|--------------------|--|
| 01/2007 to Present | <b>LotusGroup Advisors, LLC</b> , Denver, CO<br>Principal, Owner, Managing Partner & Investment Advisor Representative <ul style="list-style-type: none"><li>- Manages the LGA Management Team &amp; is Portfolio Manager of the LGA IncomePlus Fund</li><li>- Sources &amp; invests in private placement opportunities</li></ul>                              |
| 09/2018 to Present | <b>LotusGroup Capital, LLC</b> , Denver, CO<br>Principal, Owner, Managing Member & Investment Advisor Representative <ul style="list-style-type: none"><li>- Manages the LGC team &amp; is a Co-Portfolio Manager of the LotusGroup Longevity Fund, LLC</li><li>- Sources &amp; invests in private placement opportunities</li></ul>                           |
| 03/2004 to Present | <b>Martorello Money Management</b> , Denver, CO<br>Partner, Advisor & Investment Advisor Representative <ul style="list-style-type: none"><li>- Commercial Investment Experience</li><li>- Total Investment Experience &amp; Systems Development</li><li>- Client Service Experience</li><li>- Operations Experience</li><li>- Management Experience</li></ul> |
| 03/2000 to 03/2006 | <b>ICG Commerce</b> , King of Prussia, PA<br>Director <ul style="list-style-type: none"><li>- Practice Responsibility (All-West Coast Clients)</li><li>- Management Oversight (20 Employees)</li><li>- Business Process Outsourcing</li></ul>  |
| 08/1997 to 04/2000 | <b>A.T. Kearney</b> , New York, NY<br>Associate <ul style="list-style-type: none"><li>- Management &amp; Business Consulting</li></ul>   |

### Professional Designations, Licensing & Exams

Raphael A. Martorello does not have any additional professional designations, licensing, or exams to disclose.

### Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Raphael A. Martorello, providing advice to you. Mr. Martorello does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on [brokercheck.finra.org](http://brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

### Other Business Activities

Raphael A. Martorello is a Principal, Owner, Managing Partner, and an Investment Advisor Representative of LotusGroup Advisors. He dedicates 50% of his time to this activity during trading hours. Outside of his activities at LotusGroup Advisors, Mr. Martorello also participates in the following investment-related other business activities:

Name of Outside Business or Organization: LotusGroup Capital, Inc.

Address: 1005 South Gaylord Street, Denver, CO 80209

Title: Principal, Owner, Managing Partner & Investment Advisor Representative

Description of Outside Business or Organization: Affiliated Registered Investment Advisory firm

Description of Duties or Responsibilities: Providing management & investment strategy to leverage research provided to LotusGroup Advisors, LLC and Martorello Holdings, LLC

Start Date: 11/2018

Hours Devoted to OBA Monthly: 75% during trading hrs./75% during non-trading hrs.

Name of Outside Business or Organization: Martorello Holdings, LLC

Address: 1043 S. Vine Street, Denver, CO 80209

Title: Member

Description of Outside Business or Organization: Holding company for commercial real estate investment, developing the new HQ office for LotusGroup Advisors & LotusGroup Capital, in Denver, CO

Description of Duties or Responsibilities: Establishing financing & interact with the Project Manager, as needed

Start Date: 01/2018

Hours Devoted to OBA Monthly: 0 during trading hrs./1 hour weekly during non-trading hrs.

Name of Outside Business or Organization: Thrive Workplace at LoDo, LLC/Thrive Workplace Holdings

Address: 201 Milwaukee Street, Suite 200, Denver, CO, 80209

Title: Member, Board of Directors & L.P. Investor

Description of Outside Business or Organization: Co-working Business

Description of Duties or Responsibilities: Conducting quarterly meetings to review progress & provide advice

Start Date: 12/2013

Hours Devoted to OBA Monthly: 0 during trading hrs./2 hours quarterly, during non-trading hrs.

Name of Outside Business or Organization: Martorello Money Management

Address: 1005 South Gaylord Street, Denver, CO 80209

Title: Partner

Description of Outside Business or Organization: Before 2016, this was an independent Registered Investment Advisor. On 1/2016, this organization transitioned all clients into LotusGroup Advisors as part of a business merger. Through the buy-sell transaction, this business was required to de-register as an RIA but to stay open for the flow of funds on a financial consulting base, to pay Raphael A. Martorello's fixed salary & for the business to provide funding back to LotusGroup Advisors for benefits reimbursements.

Description of Duties or Responsibilities: Predominantly administrative within the business and paid to be the Managing Partner of LotusGroup Advisors as a contractor through this business.

Start Date: 04/2004

Hours Devoted to OBA Monthly: 0 during trading hrs./1 hour per week during non-trading hrs. (All hours counted at LotusGroup Advisors are technically Martorello Money Management hours since Mr. Martorello's salary is paid as a contractor through Martorello Money Management).

Mr. Martorello's outside business activities do not give him an incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest. It can provide an incentive for him to recommend products based on the compensation received rather than on the client's needs. LotusGroup Advisors address this conflict of interest by requiring him to disclose such relationships to clients. Mr. Martorello satisfies this requirement by advising clients of the nature of transactions or associations, his role, and any compensation he received at the time of relationship inception. Mr. Martorello acts in the best interest of clients. Clients are always in no way required to utilize the services of an Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

### Additional Compensation

The firm's advisors earn a base salary, with most earnings coming from an earned percentage of revenue share collected from client assets managed by the Adviser. Additionally, Mr. Martorello may earn an annual bonus for growing the overall business. Mr. Martorello passively invests in other private businesses, including golf courses, oil exploration, real estate, and private offerings that LGA sources on behalf of clients. Outside of those disclosed herein, he does not receive any additional compensation or economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Advisors.

### Supervision

LotusGroup Advisors takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the firm's Principal and Managing Partner, Raphael A. Martorello. Mr. Martorello directly supervises all LotusGroup Management Team and collaborates on trades and investment decision activity with Ms. Schlemeyer. Raphael A. Martorello is self-supervised as it pertains to client service, investment strategy development, and execution. He is audited by the Firm's CCO every quarter through LotusGroup's "Access Person Review" to ensure all personal trades have not benefited at the expense of client trades.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors require all Associates to exercise a fiduciary duty to clients by acting in each client's best interest and always placing client interests first and foremost. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

### Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Raphael A. Martorello has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.

B. Raphael A. Martorello has not been the subject of a bankruptcy petition.



Investment Advisor Representative

**ANDLEIB “ANDY” SETH**

(CRD #5296525)

*1005 South Gaylord Street*

*Denver, CO 80209*

*Email: [info@lgadvisors.com](mailto:info@lgadvisors.com)*

*Website: [www.lgadvisors.com](http://www.lgadvisors.com)*

*Work Phone: 720.325.2423*

*Fax: 815.572.0566*

May 18, 2021

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This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861 if you did not receive the Firm’s ADV Brochure or if you have any questions about the contents of this Brochure Supplement.

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

*(Click on the link, select “Investment Advisor – Individual,” and type in the above Individual CRD #.)*

## ANDLEIB “ANDY” SETH

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### Date of Birth & Educational Background

Andleib “Any” Seth was born in 1978. He received his B.A. Economics and B.A. in Spanish from Boston College in 2000. Mr. Seth has fulfilled LotusGroup Advisor’s requirement that its Investment Advisor Representatives hold either a bachelor’s degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

### Business Background & Experience

- |                    |   |
|--------------------|---|
| 01/2007 to Present | <b>LotusGroup Advisors, LLC</b> , Denver, CO<br>Silent Partner & Investment Advisor Representative  |
| 07/2001 to 12/2006 | <b>ICG Commerce</b> , King of Prussia, PA<br>Manager <ul style="list-style-type: none"><li>- Client responsibility for U.S. &amp; foreign clients</li><li>- Management oversight for 20+ employees</li><li>- Business Process Outsourcing</li></ul> |
| 09/2000 to 06/2001 | <b>Accenture</b> , Denver, CO<br>Consultant <ul style="list-style-type: none"><li>- Management/Business Consultant</li></ul>  |

### Professional Designations, Licensing & Exams

Andy Seth does not have any additional professional designations, licensing, or exams to disclose.

### Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Andy Seth, providing advice to you. Mr. Seth does not have a disciplinary history to disclose, which may be material to a client’s or prospective client’s evaluation of this advisory business. There may be items contained on [brokercheck.finra.org](http://brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider in your evaluation of your Investment Advisor Representative’s background.

### Other Business Activities

Mr. Seth is a silent partner and an Investment Advisor Representative of LotusGroup Advisors, who dedicates 75% of his time to this activity during trading hours. He has the other business activity to disclose.

### Additional Compensation

Mr. Seth does not receive any additional economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Advisors.

### Supervision

LotusGroup Advisors takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm’s Chief Compliance Officer (“CCO”). She oversees and administers the firm’s Compliance Program in coordination with the firm’s Principal and Managing Partner, Raphael A. Martorello. Andy Seth is a silent partner at LotusGroup without any day-to-day responsibilities; he does not trade or make investment decisions. Mr. Seth is directly supervised by Raphael A. Martorello (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons (“Associates”) are required to abide fully by all applicable federal and state regulations and the firm’s guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors require all Associates to exercise a fiduciary duty to its clients by acting in each client’s best interest and always placing client interests first and foremost. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and



acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

#### Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

- A. Andy Seth has not been involved in any of the events listed below.
  - 1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
    - a) an investment or an investment-related business or activity;
    - b) fraud, false statement(s), or omissions;
    - c) theft, embezzlement, or other wrongful taking of property;
    - d) bribery, forgery, counterfeiting, or extortion; or
    - e) dishonest, unfair, or unethical practices.
  - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
    - a) an investment or an investment-related business or activity;
    - b) fraud, false statement(s), or omissions;
    - c) theft, embezzlement, or other wrongful taking of property;
    - d) bribery, forgery, counterfeiting, or extortion; or
    - e) dishonest, unfair, or unethical practices.
- B. Andy Seth has not been the subject of a bankruptcy petition.



Investment Advisor Representative

**NICHOLAS S. PIRNACK**

(Individual CRD #5717464)

*1005 South Gaylord Street*

*Denver, CO 80209*

*Email: [info@lgadvisors.com](mailto:info@lgadvisors.com)*

*Website: [www.lgadvisors.com](http://www.lgadvisors.com)*

*Phone: 720.325.2327*

*Fax: 815.572.0566*

May 18, 2021

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

*(Click on the link, select “Investment Advisor – Individual,” and type in the above Individual CRD #.)*

## NICHOLAS S. PIRNACK

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### Date of Birth & Educational Background

Nicholas S. Pirnack was born in 1985. He received his B.A. Economics/Minor in Business from Colorado State University in 2009. Mr. Pirnack has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

### Business Background & Experience

- |                    |  |
|--------------------|--|
| 10/2011 to Present | <b>LotusGroup Advisors, LLC</b> , Denver, CO<br>Partner, Senior Advisor & Investment Advisor Representative <ul style="list-style-type: none"><li>– Over ten years of total client management experience</li><li>– Current oversight of Advising Team for the firm</li></ul> |
| 08/2009 to 10/2011 | <b>Intersecurities</b> , Fort Collins, CO<br>Investment Advisor Representative <ul style="list-style-type: none"><li>– Client relationship management</li><li>– Oversight of 2 advisors</li></ul>  |
| 04/2009 to 10/2011 | <b>CORE Financial/Transamerica</b> , Fort Collins, CO<br>Financial Advisor & Insurance Agent   |

### Professional Designations, Licensing & Exams

Nicholas S. Pirnack does not have any additional professional designations, licensing, or exams to disclose.

### Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Nicholas S. Pirnack, providing advice to you. Mr. Pirnack does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on [brokercheck.finra.org](http://brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

### Other Business Activities

Nicholas S. Pirnack is a Senior Advisor and Investment Advisor Representative who provides advice directly to clients; he does not trade or make investment decisions. Mr. Pirnack dedicates 100% of his time to this activity during trading hours. He has no other investment-related, other business activities to disclose.

### Additional Compensation

The firm's advisors earn a base salary, with most earnings coming from an earned percentage of revenue share collected from client assets managed by the advisor. Additionally, they may earn an annual bonus for meeting goals set forth by the company. Mr. Pirnack does not receive any additional economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Advisors.

### Supervision

LotusGroup Advisors takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the firm's Principal and Managing Partner, Raphael A. Martorello. Mr. Pirnack is directly supervised by Raphael A. Martorello (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons (“Associates”) are required to abide fully by all applicable federal and state regulations and the firm’s guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to it). LotusGroup Advisors require all Associates to exercise a fiduciary duty to its clients by acting in each client’s best interest and always placing client interests first and foremost. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm’s expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

#### Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative’s suitability.

A. Nicholas S. Pirnack has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.

B. Nicholas S. Pirnack has not been the subject of a bankruptcy petition.



Investment Advisor Representative

**STEPHANIE L. SCHLEMEYER**

(CRD #5795426)

*1005 South Gaylord Street  
Denver, CO 80209*

*Email: [info@lgadvisors.com](mailto:info@lgadvisors.com)*

*Website: [www.lgadvisors.com](http://www.lgadvisors.com)*

*Phone: 720.897.8553*

*Fax: 815.572.0566*

May 18, 2021

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This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861 if you did not receive the Firm’s ADV Brochure or if you have any questions about the contents of this Brochure Supplement.

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

*(Click on the link, select “Investment Advisor – Individual,” and type in the above Individual CRD #.)*

## STEPHANIE L. SCHLEMEYER

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### Date of Birth & Educational Background

Stephanie L. Schlemeyer was born in 1989. She received her B.A. Mathematics from Messiah College in 2011. Ms. Schlemeyer has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA) or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

### Business Background & Experience

- |                    |  |
|--------------------|--|
| 01/2018 to Present | <b>LotusGroup Advisors, LLC</b> , Denver, CO<br>Partner, Product Manager & Investment Advisor Representative <ul style="list-style-type: none"><li>- Manage product toolset such as portfolio management system &amp; reporting</li><li>- Strategy development &amp; management for public investment models</li><li>- Public market research</li><li>- Investment Committee Member on LGA IncomePlus Fund</li></ul> |
| 02/2014 to 12/2018 | <b>LotusGroup Advisors, LLC</b> , Denver, CO<br>Senior Analyst, Portfolio Manager & Investment Advisor Representative <ul style="list-style-type: none"><li>- Manage investment models</li><li>- Execute LotusGroup Advisors portfolio strategies</li><li>- Conduct &amp; assist with primary research on new public investment opportunities &amp; strategies</li><li>- Investment Advisor Representative</li></ul> |
| 08/2011 to 01/2014 | <b>University of Colorado</b> , Denver, CO<br>Data Manager <ul style="list-style-type: none"><li>- Perform quality assurance tests on the data to maintain the integrity of the data &amp; evaluate the progress of the programs at the individual grantee sites</li><li>- Create &amp; edit existing standard operating procedures</li><li>- Data analysis &amp; report writing for various projects</li></ul>      |

### Professional Designations, Licensing & Exams

Stephanie L. Schlemeyer does not have any additional professional designations, licensing, or exams to disclose.

### Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Stephanie L. Schlemeyer, providing advice to you. Ms. Schlemeyer does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on [brokercheck.finra.org](http://brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

### Other Business Activities

Stephanie L. Schlemeyer is a Product Manager who leads the selection and implementation of LotusGroup's portfolio management systems, collaborates on investment decisions, and executes trades on behalf of clients as a backup to Louis C. Frank, LotusGroup's Portfolio & Private Partner Manager, when he is unavailable. Ms. Schlemeyer dedicates 100% of her time to this activity during trading hours. Outside of her activities at LotusGroup, Ms. Schlemeyer has no other investment-related, other business activities to disclose.

### Additional Compensation

The product manager earns a base salary, with some earnings coming from a percentage of revenue share collected from client assets managed. Additionally, Ms. Schlemeyer can earn an annual bonus for meeting goals set forth by the company. Ms. Schlemeyer does not receive any additional economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Advisors.



### Supervision

LotusGroup Advisors takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the firm's Principal and Managing Partner, Raphael A. Martorello. Stephanie L. Schlemeyer is directly supervised by Raphael A. Martorello (T: 720.593.9861), who oversees all LotusGroup Investment Advisor Representatives' advisory activities.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors require all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest and always placing client interests first and foremost. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

### Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Stephanie L. Schlemeyer has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.

B. Stephanie L. Schlemeyer has not been the subject of a bankruptcy petition.



Investment Advisor Representative

**MATTHEW J. WOOLBRIGHT**  
(CRD #6837211)

622 Bermuda Place Corpus Christi, TX 78411

Email: [info@lgadvisors.com](mailto:info@lgadvisors.com)

Website: [www.lgadvisors.com](http://www.lgadvisors.com)

Phone: 361.834.6181

Fax: 815.572.0566

May 18, 2021

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861 if you did not receive the Firm’s ADV Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Matthew J. Woolbright is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

(Click on the link, select “Investment Advisor – Individual,” and type in the above Individual CRD #.)

# MATTHEW J. WOOLBRIGHT

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## Date of Birth & Educational Background

Matthew J. Woolbright was born in 1990. He received his Bachelor of Science in Sociology from Texas A & M University in 2012. Mr. Woolbright has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

## Business Background & Experience

10/2017 to Present	<b>LotusGroup Advisors, LLC</b> , Denver, CO Investment Advisor Representative
08/2014 to 10/2017	<b>Corpus Christi Caller-Times</b> , Corpus Christi, TX Reporter
08/2013 to 08/2014	<b>Juneau Empire</b> , Juneau, AK Reporter
02/2013 to 07/2013	<b>Associated Press</b> , York City, NY Reporter

## Professional Designations, Licensing & Exams

Matthew J. Woolbright does not have any additional professional designations, licensing, or exams to disclose.

## Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Matthew J. Woolbright, providing advice to you. Mr. Woolbright does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on [www.brokercheck.finra.org](http://www.brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

## Other Business Activities

Matthew J. Woolbright is a Lead Private Client Advisor who provides advice directly to clients; he does not trade or make investment decisions. Mr. Woolbright dedicates 100% of his time to this activity during trading hours. Outside of his activities at LotusGroup, Mr. Woolbright has the following investment-related, other business activities to disclose:

Name of Outside Business or Organization: Dreamers and Walkers Consulting  
Address: 622 Bermuda Pl, Corpus Christi, Texas 78411  
Title: Owner  
Description of Outside Business or Organization: Public relations-centered firm focusing on data analytics and targeted messaging.  
Description of Duties or Responsibilities: Management of team members, database management.  
Start Date: 02/2020  
Hours Devoted to OBA Monthly: Approximately 5 hours per workweek outside of trading hours and some weekend work.

Name of Outside Business or Organization: Corpus Christi Regional Transportation Authority Address: 602 N. Staples St., Corpus Christi, Texas 78401  
Title: Member, Board of Directors  
Description of Outside Business or Organization: Public Transportation Agency.  
Description of Duties or Responsibilities: Primarily policy and budget setting. Decisions related to the agency's investment funds are macro in nature and do not deal with how funds are specifically invested.  
Start Date: 06/2018  
Hours Devoted to OBA Monthly: Approximately 3 hours per month, during trading hours.

Mr. Woolbright's outside business activities do not give him an incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest. It can provide an incentive for him to recommend products based on the compensation received rather than on the client's needs. LotusGroup Advisors address this conflict of interest by requiring him to disclose such relationships to clients. Mr. Woolbright satisfies this requirement by advising clients of the nature of transactions or associations, his role, and any compensation to be received by him at the time of relationship inception.

Mr. Woolbright acts in the best interest of clients. Clients are always in no way required to utilize the services of any Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

#### Additional Compensation

The firm's advisors earn a base salary, with most earnings coming from an earned percentage of revenue share collected from client assets managed by the advisor. Additionally, an advisor can make a one-time commission for the new clients brought to the firm paid quarterly on collected payments and may earn an annual bonus for meeting goals set forth by the company. Mr. Woolbright does not receive any additional economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Advisors.

#### Supervision

LotusGroup Advisors takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the firm's Principal and Managing Partner, Raphael A. Martorello. Matthew J. Woolbright is directly supervised by Nicholas E. Pirnack, Senior Advisor (T: 720.593.9861).

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to it). LotusGroup Advisors require all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest and always placing client interests first and foremost. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

#### Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Matthew J. Woolbright has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

B. Matthew J. Woolbright has not been the subject of a bankruptcy petition.



Investment Advisor Representative:

**LOUIS C. FRANK**

(CRD #6613018)

*1005 South Gaylord Street*

*Denver, CO 80209*

*Email: [info@lgadvisors.com](mailto:info@lgadvisors.com)*

*Website: [www.lgadvisors.com](http://www.lgadvisors.com)*

*Phone: 720.744.0958*

*Fax: 815.572.0566*

May 18, 2021

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

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

*(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)*

## LOUIS C. FRANK

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### Date of Birth & Educational Background

Louis C. Frank was born in 1993. He received his Bachelor of Science in Business Administration Finance from the University of Arkansas in 2016. Mr. Frank has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

### Business Background & Experience

- |                    |  |
|--------------------|--|
| 07/2017 to Present | <b>LotusGroup Advisers, LLC</b> , Denver, CO<br>Portfolio & Private Partner Manager, Investment Advisor Representative <ul style="list-style-type: none"><li>- Serves on the LGA IncomePlus Fund Investment Committee</li><li>- Execute on public investment models and portfolio management</li><li>- Conduct and assist with primary research on new public investment opportunities and strategies</li><li>- Provides ongoing relationship and supplier management with private investment partners</li><li>- Participates in authoring LGA investment blogs</li><li>- Registered as an Investment Advisor Representative</li></ul> |
| 09/2018 to Present | <b>LotusGroup Capital, LLC</b> , Denver, CO<br>Portfolio & Private Partner Manager, Investment Advisor Representative <ul style="list-style-type: none"><li>- Conducts private investment partner due diligence</li><li>- Negotiates strategic terms and finalizes contracts/relationships</li><li>- Maintains ongoing relationship management with private partners</li><li>- Participates in authoring company investment blogs</li><li>- Conducts industry research</li><li>- Works with LGC's Portfolio Managers to execute strategies, document processes, and train future employees of the funds</li></ul>                      |
| 06/2016 to 05/2017 | <b>Fortis Asset Management</b> , Denver, CO<br>Analyst   |

### Professional Designations, Licensing & Exams

Louis C. Frank does not have any additional professional designations, licensing, or exams to disclose.

### Disciplinary Information

LotusGroup Advisers, LLC, is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Louis C. Frank providing advice to you. Louis C. Frank does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. Further, there may be items contained on [brokercheck.finra.org](http://brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider in your assessment of your Advisor's background.

### Other Business Activities

Louis C. Frank is a Portfolio & Private Partner Manager and Investment Advisor Representative of LotusGroup Advisers. He dedicates 50% of his time to this activity during trading hours and 50% of his time during non-trading hours. In addition to the above, Mr. Frank has the following other investment-related business activities to report:

Name of Outside Business or Organization: LotusGroup Capital  
Address: 1005 South Gaylord Street, Denver, CO 80209  
Title: Portfolio & Private Partner Manager, Investment Advisor Representative  
Description of Outside Business or Organization: Affiliated Registered Investment Advisory firm.



Description of Duties or Responsibilities: Conducts private investment partner due diligence, negotiates strategic terms & finalizes contracts/relationships, maintains ongoing relationship management with private partners, participates in authoring company investment blogs, conducts industry research & works with LGC's Portfolio Managers to execute strategies, document processes & train future employees of the funds.

Start Date: 07/2017

Hours Devoted to OBA Monthly: 50% during trading hrs. / 50% during non-trading hrs.

Name of Outside Business or Organization: Magnolia Holdings, LLC

Address: 2602 W. 24<sup>th</sup> Ave, Unit 2, Denver, CO 80211

Title: Managing Partner

Description of Outside Business or Organization: Magnolia Holdings is a joint business venture between Louis C. Frank and Walter Frank. The company was created to hold real estate assets purchased by its managing partners. Louis C. Frank is the managing partner of Magnolia Holdings, LLC, a holding company with 0 assets. He would receive 50% of all profits based on the business if any capital were deployed.

Description of Duties or Responsibilities: Providing operational oversight, analysis, and due diligence.

Start Date: 04/2017

Hours Devoted to OBA Monthly: 0 during trading hrs. / 1 hour per month during non-trading hrs.

Name of Outside Business or Organization: CFBW Partners, LLC

Address: 2602 W. 24<sup>th</sup> Ave, Unit 2, Denver, CO 80211

Title: Managing Partner

Description of Outside Business or Organization: LLC formed for assets to be managed by a Registered Investment Advisor. CFBW Partners does not have discretion over the affiliated brokerage account.

Description of Duties or Responsibilities: Providing operational oversight over the entity

Start Date: 6/15/2020

Hours Devoted to OBA Monthly: 1 hour

Mr. Frank's outside business activities do not give him an incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest. It can provide an incentive for him to recommend products based on the compensation received rather than on the client's needs. LotusGroup Advisors address this conflict of interest by requiring him to disclose such relationships to clients. Mr. Frank satisfies this requirement by advising clients of the nature of transactions or associations, his role, and any compensation to receive at the time of relationship inception. Mr. Frank acts in the best interest of clients. Clients are always in no way required to utilize the services of any Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

#### Additional Compensation

The product manager earns a base salary, with some earnings coming from a percentage of revenue share collected from client assets managed. Additionally, he may earn an annual bonus for meeting goals set forth by the company. Mr. Frank does not receive any additional economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Advisors.

#### Supervision

LotusGroup Advisors takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Louis C. Frank is directly supervised by Stephanie L. Schlemeyer, Product Manager (T: 720.593.9861).

Covered Persons are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to it). LotusGroup Advisors requires all Covered Persons to exercise a fiduciary duty to its clients by acting in each client's best interest and by placing client interests first and foremost, *always*. Covered Persons are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

### Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Louis C. Frank has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.

B. Louis C. Frank has not been the subject of a bankruptcy petition.



Investment Advisor Representative:

**DOUGLAS E. REESE**

(CRD #1678299)

*1005 South Gaylord Street  
Denver, CO 80209*

*Email: [info@lgadvisors.com](mailto:info@lgadvisors.com)*

*Website: [www.lgadvisors.com](http://www.lgadvisors.com)*

*Phone: 303.601.7921*

*Fax: 815.572.0566*

May 18, 2021

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861 if you did not receive the Firm’s ADV Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Douglas E. Reese is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*(Click on the link, select “Investment Advisor – Individual,” and type in the above Individual CRD #.)*

## DOUGLAS E. REESE

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### Date of Birth & Educational Background

Douglas E. Reese was born in 1963. He received his BS in Finance and MBA in Finance/Investments from Western Illinois University in 1985. Mr. Reese has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

### Business Background & Experience

10/2017 to Present	<b>LotusGroup Advisors, LLC</b> , Denver, CO Private Client Advisor & Investment Advisor Representative
04/1991 to Present	<b>Wealth Associates, Inc.</b> , Highlands Ranch, CO President

### Professional Designations, Licensing & Exams

Douglas E. Reese does not have any additional professional designations, licensing, or exams to disclose.

### Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Douglas E. Reese, providing advice to you. Mr. Reese does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on [brokercheck.finra.org](http://brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

### Other Business Activities

Douglas E. Reese is a Private Client Advisor who provides advice directly to clients; he does not trade or make investment decisions. Mr. Reese dedicates 100% of his time to this activity during trading hours. Outside of his activities at LotusGroup, Mr. Reese has the following other business activities to disclose:

Name of Outside Business or Organization: Self-employed  
Address: Private Residence (N/A)  
Title: Business Consultant  
Description of Outside Business or Organization: Advising on cash flow forecasting & monitoring.  
Description of Duties or Responsibilities: Advising on cash flow forecasting & monitoring (no commissions are received from this business activity).  
Start Date: 04/1991  
Hours Devoted to OBA Monthly: 0% during trading hrs./10% during non-trading hrs.

Mr. Reese's outside business activities do not give him an incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest. It can provide an incentive for him to recommend products based on the compensation received rather than on the client's needs. LotusGroup Advisors address this conflict of interest by requiring him to disclose such relationships to clients. Mr. Reese satisfies this requirement by advising clients of the nature of transactions or associations, his role, and any compensation he received at the time of relationship inception. Mr. Reese acts in the best interest of clients. Clients are always in no way required to utilize the services of an Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

### Additional Compensation

The firm's advisors earn a base salary, with most earnings coming from an earned percentage of revenue share collected from client assets managed by the advisor. Mr. Reese does not receive any additional economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Advisors.

### Supervision

LotusGroup Advisors takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the firm's Principal and Managing Partner, Raphael A. Martorello. Douglas E. Reese is directly supervised by Nicholas S. Pirnack (T: 720.593.9861), who oversees all LotusGroup Investment Advisor Representatives' advisory activities.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors require all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest and always placing client interests first and foremost. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

### Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Douglas E. Reese has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) an investment or an investment-related business or activity;
  - b) fraud, false statement(s), or omissions;
  - c) theft, embezzlement, or other wrongful taking of property;
  - d) bribery, forgery, counterfeiting, or extortion; or
  - e) dishonest, unfair, or unethical practices.

B. Douglas E. Reese has not been the subject of a bankruptcy petition.