

FORM ADV PART 2A

Current as of May 21, 2021

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This brochure provides information about the qualifications and business practices of Triad Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (770) 840-6042. Triad Advisors, LLC is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Triad Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Triad Advisors, LLC filed its last annual amendment to its Form ADV Part 2A Brochure on March 31, 2021. Since then, the following changes have occurred:

- Item 4 – Advisory Business and Item 7 – Types of Clients: The Pinnacle Program and Apex Program have been closed to new clients; they are not being offered to new clients or accounts.
- Item 10 – Other Financial Industry Activities and Affiliations: Valor Insurance Agency, Inc. has been removed from the list of Other Industry Affiliates.
- Item 10 – Other Financial Industry Activities and Affiliations: The section related to Ladenburg Thalmann Asset Management (LTAM) has been updated related to the use of Ladenburg Funds.

Will I receive a brochure every year?

We may, at any time, update this brochure. Any material changes will either be sent to you as a summary of those changes or, depending on the extent of these changes, you will receive the entire updated brochure.

May I request additional copies of the brochure?

Absolutely. You may request and receive additional copies of this brochure in one of three ways: Contact your Advisor with whom you are working with.

Download the brochure from the SEC website at www.adviserinfo.sec.gov. Select “investment adviser firm” and type in our Firm name. Contact the Investment Advisory Compliance Department at 770-840-6042.

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ITEM 4 - ADVISORY BUSINESS

Triad Advisors, LLC is registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Triad Advisors, LLC is also registered as an investment adviser with the Securities and Exchange Commission ("SEC"), SEC File No. 801-55518, in order to offer investment advisory products and services to its advisory clients. Such services are offered through certain Financial Advisers ("FAs") who have registered as Investment Adviser Representatives ("Advisory Representative"). Registration does not imply a certain level of skill or training. Triad is a wholly-owned subsidiary of Advisor Group Holdings, Inc., which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2006 Trust.

Triad Advisors, LLC the broker-dealer, will henceforth be referred to as "Triad". Triad Advisors LLC, the Registered Investment Adviser, will henceforth be referred to as "we", "us", "our" or the "Firm".

Triad, an independent broker-dealer, has built a strong reputation within the financial services industry through its open-architecture model and commitment to technology and service.

We have been an SEC Registered Investment Adviser since 1998 and manage, as of December 31, 2020, \$526,292,837 of assets on a discretionary basis and \$659,513,961 on a non-discretionary basis.

Each of our Advisory Representatives is permitted to offer all or any combination of the advisory programs described below to our clients ("you" or "your").

TRIAD WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS

The Triad Wealth Management Platform – Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through National Financial Services, Inc. ("NFS").

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools and based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussions that you and your Advisory Representative have together regarding, among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation, we construct a portfolio of investments for you. Your Advisory Representative has the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities ("Program Investments") which are based on your investment goals, objectives, and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Triad Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

TRIAD WEALTH MANAGEMENT PLATFORM – UNIFIED MANAGED ACCOUNT PROGRAM

The Triad Wealth Management Platform – Unified Managed Account Program ("UMA") provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. UMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

After you discuss your financial goals and objectives with your Advisory Representative, we will recommend an asset allocation model ("UMA Model") to you which will consist of:

- a) Investment strategies serviced and created by investment managers or your Advisory Representative that generally consist of a selection of mutual funds, exchange traded products, equities, and or bonds;
- b) Mutual funds and ETFs ("Funds");
- c) or a combination of the preceding bundled together in an investment asset allocation model.

We will recommend a UMA Model to you based on your responses to a Questionnaire and discussion that we have together regarding among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation. In addition, you can place reasonable restrictions on investments held within your UMA account. All recommendations in the UMA are made on a discretionary basis, which means your Advisory Representative can act without your prior approval.

For further UMA details, please refer to The Triad Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in UMA. Please read it thoroughly before investing.

PINNACLE PROGRAM

The Pinnacle Program provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through National Financial Services, Inc. ("NFS"). The Pinnacle Program is only available to clients who are already invested in it and it is not being offered to new clients or accounts.

Within the Pinnacle Program, your representative is the portfolio manager. Your Advisory Representative has the option to allocate or recommend an allocation of your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities ("Program Investments") which are based on your investment goals, objectives, and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Pinnacle Program details, please see the Pinnacle Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Pinnacle Program. Please read it thoroughly before investing.

APEX PROGRAM

The Apex Program provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through NFS. The Apex Program is only available to clients who are already invested in it and it is not being offered to new clients or accounts.

Within the Apex Program, your representative is the portfolio manager. Your Advisory Representative has the option to allocate or recommend an allocation of your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities which are based on your investment goals, objectives, and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

THIRD PARTY ADVISORY SERVICES

We can also offer you the services of various third party money managers (“Third Party Money Managers” or “TPMMs”) for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs. In doing so, we normally act in a “co-advisory” capacity. Triad does not serve as broker-dealer for your Third Party Money Manager account except for certain Private Managed Accounts and Envestnet MAS accounts detailed below.

When acting in a co-advisory capacity, we and the Third Party Money Manager are jointly responsible for the ongoing management of your account. In connection with this arrangement, your Advisory Representative will provide assistance in the selection and ongoing monitoring of a particular Third Party Money Manager. Factors we consider in the selection of a particular Third Party Money Manager include, but are not limited to:

- i. our assessment of a particular Third Party Money Manager;
- ii. your risk tolerance, goals, objectives and restrictions, as well as investment experience; and
- iii. the assets you have available for investment.

In some instances, your Advisory Representative has discretion to act as the portfolio manager for your account.

In addition to the advisory relationship that you will have with these Third Party Money Managers, you will also enter into an advisory relationship with us by signing our client agreement.

If you are interested in learning more about these services, please note that a complete description of the programs, services, fees, payment structure and termination features are available via the applicable Third Party Money Manager’s disclosure brochures, investment advisory contracts, and account opening documents.

You should know that the services provided by us through the use of Third Party Money Managers are under certain conditions directly offered by them to you. The fees charged by Third Party Money Managers who offer their programs directly to you may be more or less than the combined fees charged by the Third Party Money Manager and us for our participation in the investment programs.

In limited circumstances, an Advisory Representative acts purely in a solicitor capacity when referring you to a TPMM. When acting as a solicitor for the TPMM program, the Firm and your Advisory Representative do not provide advisory services in relation to the TPMM program. Instead, your Advisory Representative will assist you in selecting one or more TPMM programs believed to be suitable for you based on your stated financial situation, investment objectives, and financial goals. The TPMM will be responsible for assessing the suitability of their investment recommendations against your risk profile and are compensated for referring you to the TPMM program. This compensation generally takes the form of the TPMM sharing a percentage of the advisory fee you pay to the TPMM. When we act as a solicitor for a TPMM program, you will receive a written solicitor disclosure statement describing the nature of our relationship with the TPMM program, if any; the terms of our compensation arrangement with the TPMM program, including a description of the compensation that we will receive for referring you to the TPMM program. Please consult the applicable Third Party Money Manager’s agreement for further information.

Private Managed Accounts (PMA) Program

The Private Managed Accounts (PMA) Program allows its Advisory Representatives to offer various Third Party Money Managers to clients. These Third Party Money Managers deliver a variety of investment styles ranging from niche specialists to strategic asset allocation to quantitative and tactically managed portfolios. Management may include individual securities, ETFs, mutual funds, option or alternative investment products. Triad serves as broker-dealer for these accounts.

One or more of these Third Party Money Managers is affiliated with Triad, which creates a conflict because of the compensation Triad’s affiliates can receive from the placements. We deal with this conflict through our processes designed to determine the suitability of the programs offered to clients. We also conduct reviews to assess the

adequacy and appropriateness of the investment recommendations made by our Advisory Representatives. Refer to Item 10, Other Financial Industry Activities and Affiliations, for additional information.

Envestnet Managed Account Solutions (MAS)

Your Advisory Representatives can choose to manage your assets through the Envestnet Managed Account Solutions (“MAS”) program. MAS is an asset management tool that provides research, proposal generation, advanced order management, billing and performance reporting. Under the MAS program, Envestnet Asset Management (“Envestnet”), an unaffiliated registered investment adviser, provides a platform used by the representative to manage the assets under Pinnacle and/or Apex or under a TPMM. In such cases the client will sign a separate agreement that describes what services we and Envestnet will provide and the fees to be paid for those services. Triad serves as broker-dealer for these accounts.

Under Pinnacle or Apex, your Advisory Representative has discretion to act as the portfolio manager for your account.

For further Third Party Advisory Services details, please see the Third-Party Investment Management Consulting Services Wrap Fee Program Brochure. Please read it thoroughly before investing.

FINANCIAL PLANNING AND CONSULTING SERVICES

We offer financial planning services including, but not limited to, the following:

- Personal Financial Planning
- Insurance and Estate Planning
- Capital Need Analysis
- Tax & Cash Flow
- Retirement Planning
- Investment Analysis and Planning
- Education Planning
- Performance Reports

Clients who desire financial planning services will enter into a Financial Planning and Consulting Agreement (“Planning Agreement”) that describes the services to be provided and the fees for those services. Clients will receive a written financial plan consistent with the type of planning service requested. Clients are under no obligation to act on the Firm’s recommendations. If a client does elect to act on any or all of the recommendations, the client is under no obligation to affect any transactions through the Firm, the investment adviser representative or other associated person of the Firm, or any affiliate of the Firm. Except for securities for which an affiliate of the Firm serves as the exclusive underwriter, clients have the option to purchase investment products that Triad recommends through other investment advisers, brokers or agents that are not affiliated with the Firm.

If a client chooses to use the Firm or an affiliate to implement any recommendations made in the financial plan, the client will usually incur additional fees or costs in connection with the implementation of the plan, as those activities are separate and distinct from the financial planning services.

RETIREMENT PLAN CONSULTING SERVICES

We offer advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors to meet the needs of their employees and other beneficiaries of the plans. Triad also assists sponsors with enrollment and/or investment education to plan participants and beneficiaries. Retirement Plan Services are either “fiduciary services” or “non-fiduciary services” as defined under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). When providing fiduciary services, Triad will provide those services to the plan as a fiduciary under ERISA Section 3(21)(A)(ii) and will act in good faith and with the degree of diligence, care and skill that a

prudent person rendering similar services would exercise under similar circumstances. We will make recommendations to the sponsor, who retains full discretionary authority and control over assets of the plan.

We may serve as a “fiduciary” as that term is defined in Section 3(38) of ERISA, also an affiliate such as Ladenburg Thalmann or another third-party manager may also act as a 3(38) Investment Manager in our stead.

If the plan wishes to engage the Firm to provide services, the plan sponsor or other person authorized by the plan will enter into a Retirement Plan Consulting Agreement (“Retirement Plan Agreement”) that describes the services to be provided and the fees to be charged by the Firm. Descriptions of the retirement plan services offered by the Firm are available from the Firm upon request.

In providing retirement plan services, the Firm and its investment adviser representatives establish client relationships with one or more plan participants or beneficiaries. Our investment adviser representatives will not, however, solicit services from plan participants or beneficiaries when providing retirement plan services. Investment adviser representatives may, when requested by a plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement that excludes any investment advice on plan assets. The investment adviser representative may consider the participant’s or beneficiary’s interest in the plan in providing that service.

LENDING SERVICES

Securities Backed Line of Credit (SBLOC) / Non-Purpose Loans

The Firm offers you SBLOCs offered through participating third party banks. SBLOCs are loans whereby an investor borrows against the assets in their investment portfolio without having to liquidate these securities. These loans require monthly interest-only payments, and the loan remains outstanding until it is repaid. SBLOCs are non-purpose loans, which means the loan proceeds can be used for almost anything except the proceeds may not be used to purchase or trade securities.

An SBLOC allows you the opportunity to avoid potential capital gains taxes because you don’t have to liquidate securities for access to funds. You might also be able to continue to receive the benefits of your holdings, like dividends, interest and appreciation. However, as with virtually every financial product, SBLOCs have risks and downsides. For instance, if the value of the securities you pledge as collateral decreases, you may need to come up with extra money fast, or your positions could be liquidated.

The Firm receives third party compensation from participants banks based on the amount of the outstanding loans. This compensation is a conflict of interest to the firm because there is a financial incentive for the client to maintain outstanding loans through the program. However, the firm does not share this compensation with its Advisory Representatives. The Firm and its Advisory Representatives interest in continuing to receive investment advisory fees gives it an incentive to recommend that clients borrow money rather than liquidating some of their assets managed by the Firm, when it could be in a client’s best interest to sell such assets instead of using them as collateral for a loan. The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest and in conjunction with the lack of compensation to your Advisory Representative, believe this mitigates any conflict to Triad.

Prior to establishing a SBLOC, you should carefully review the disclosure form provided by the Firm.

MARGIN LOANS

As a broker-dealer, Triad can loan you money against the value of certain stocks, bonds and mutual funds in your portfolio. That borrowed money is called a margin loan and can be used to purchase additional securities or to meet short-term financial needs. Margin loans are not available in retirement or custodial accounts. There’s no set repayment schedule with a margin loan—monthly interest charges accrue to the account, and the borrower has the option to repay the principal at their convenience.

Margin can be profitable when stocks increase in value. However, the magnifying effect works the other way as well. The marginable investments in the portfolio provide the collateral for the margin loan. While the value of that collateral fluctuates according to the market, the amount borrowed stays the same. If the value of the stock's decline to the point where they no longer meet the minimum equity requirements, there will be a margin call. When this happens, the firm will ask that more cash or marginable securities be deposited into the account to meet the minimum equity requirement or it may sell securities in the account as needed. Please remember:

- Margin loans increase the accounts level of market risk;
- The firm may initiate the sale of any security in the account without contact the account owner, to meet the margin call; and
- Account owners are not entitled to an extension of time on a margin call.

The Firm has a conflict of interest in recommending to you a margin loan because Triad (in its capacity as a broker-dealer) receives a markup on the interest charged on the loan. Such markups on margin interest range up to a maximum markup of 300 basis points above the base lending rate. Your Advisory Representative is not compensated on margin loan balances and therefore does not have a conflict of interest in recommending the use of margin. Consequently, the Firm's conflict of interest to you is mitigated since your Advisory Representative does not receive additional compensation for recommending to you the use of margin. The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest and in conjunction with the lack of compensation to your Advisory Representative, believe this mitigates any conflict to Triad.

Please refer to your margin agreement for additional details regarding your margin loan. Please also visit the Firm's website at www.compasswealth.com for the NFS brokerage fee schedules to find additional details regarding your margin loan fees (Go to: www.compasswealth.com → Disclosures → Schedule of Miscellaneous Account & Service Fees for NFS).

ITEM 5 - FEES AND COMPENSATION

TRIAD WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

We also offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

You will pay a monthly or quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar month or quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid monthly or quarterly fees based upon the number of days remaining in the month or quarter after the date upon which the notice of termination is received.

Each of our Advisory Representatives negotiates his or her own account fee schedule.

Mutual funds and ETFs invested in the account have their own internal fees which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus).

Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by the Funds.

In certain instances, there is opportunity to be eligible to purchase certain mutual funds and ETFs without incurring transaction charges subject to certain conditions. For details, please refer to Item 4 (No Transaction Fee Programs) of the Triad Advisor Managed Portfolios wrap fee brochure.

For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the Triad Advisor Managed Portfolios Wrap Fee Program Brochure.

TRIAD WEALTH MANAGEMENT PLATFORM – UNIFIED MANAGED ACCOUNT PROGRAM

We offer UMA as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Each of our Advisory Representatives negotiates his or her own account fee schedule. The account fees paid by client include portions paid to your Advisory Representative ("Advisory Fees"), as well as to the Firm, the custodian, and the third party money managers selected ("Program Fees"). Advisory Fees are set independently regardless of manager selected. Mutual funds and ETFs invested in the account also have their own internal fees ("internal fund expenses") which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Since fees billed to your UMA account are comprised of both Program Fees and Advisory Fees, Advisory Representatives may have an incentive to select third party money managers with lower Program Fees in order to manage the overall fee charged to you. You and your Advisory Representative should consider the overall fees and expenses, including internal fund expenses, when selecting managers and other portfolio investments.

For complete fee details, including account fee schedule guidelines, please refer to The Triad Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure.

PINNACLE PROGRAM

We offer the Pinnacle Program as an account where a single fee is paid for all advisory services and transactions ("Wrap Account").

As noted in Item 4, the Pinnacle Program is not being offered to new accounts. You will pay a monthly or quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar month or quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid monthly or quarterly fees based upon the number of days remaining in the month or quarter after the date upon which the notice of termination is received.

Each of our Advisory Representatives negotiates his or her own account fee schedule.

Mutual funds and ETFs invested in the account have their own internal fees which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus).

Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by the Funds.

For complete fee details, including account fee schedule guidelines, please see the Pinnacle Wrap Fee Program Brochure.

APEX PROGRAM

As noted in Item 4, the Apex Program is not being offered to new accounts. We offer the Apex Program as an account with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the monthly or quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges.

Your monthly or quarterly account fees are negotiable and will be debited from your account by our custodian (unless you have your management fees paid from other accounts). If quarterly, then shortly after the beginning of each calendar quarter, the account will be charged a prorated portion of the annual management fees, calculated by dividing the number of days in that quarter by the number of days in the year. If monthly, then shortly after the beginning of each month, the account will be charged a prorated portion of the annual management fee, calculated by dividing the number of days in that month by the number of days in the year. For new accounts, the initial management fee will typically be charged within sixty days after the account is funded. If the date of the initial charge of management fees falls within the quarter or month after the account was funded, the initial charge shall consist of the first full quarter or month plus a prorated fee for that portion of the prior quarter or month after the account became funded. If you can have your management fees paid from other accounts

Management fees are typically determined by adding the investment adviser representative's fee to the service fees Triad charges for brokerage and custodial services in the account. Both the investment adviser representative's fee and the service fees are calculated according to a percentage of the account value, including cash in the account. The account value used to calculate the management fee will usually be the average daily balance in the account for the preceding billing period. The portion of the management fee attributable to compensation to the investment adviser representative varies but will generally be based on a percentage of the account and will not exceed 2.50% of the account on an annual basis.

If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid monthly or quarterly fees based upon the number of days remaining in the month or quarter after the date upon which the notice of termination is received.

For accounts on margin, management fees are billed on the gross market value of all securities within the account. This results in a higher fee than would be paid under a non-MAS program managed account. The specific billing procedures will be disclosed per the terms of Envestnet's advisory agreement and disclosure brochure. Clients may choose to use certain account assets to obtain a non-purpose or other loan or line of credit from an unaffiliated lender. The balance on collateralized loans will not offset the gross account value for purposes of calculating the management fee.

Each of our Advisory Representatives negotiates his or her own account fee schedule.

Mutual funds and ETFs invested in the account have their own internal fees which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus).

Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by the Funds.

In certain instances, there is opportunity to be eligible to purchase certain mutual funds and ETFs without incurring transaction charges subject to certain conditions.

The management fees charged by Triad also do not cover any of the following separate charges the client may incur such as debit balances or related margin interest, the costs associated with exchanging foreign currencies,

odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees, SEC fees or other fees or taxes required by law. The service fees are calculated by multiplying the Account Value and the corresponding fee percentage shown below.

Each Apex account will be assessed a minimum \$110 service fee per year.

Account Value	Service Fee
\$0 - \$150,000	.25%*
\$150,001 - \$500,000	.20%
\$500,001 - \$1,000,000	.13%
\$1,000,001 - \$2,000,000	.10%
\$2,000,001 - \$3,000,000	.10%

As mentioned above, in addition to the management fees, Apex Accounts are assessed transaction and other service charges. These transaction and other service charges may be higher or lower than transaction charges, commissions or other service fees client would pay at other broker-dealers. The current Apex transaction charges are disclosed on the NFS brokerage fee schedules (Go to: www.triad-advisors.com → Disclosures → Schedule of Miscellaneous Account & Service Fees for NFS).

THIRD PARTY ADVISORY SERVICES

Compensation in connection with Third Party Advisory Services generally consists of six elements:

i) management fees paid to Third Party Money Managers; ii) management fees paid to us as outlined in the client agreement that you sign with us; iii) transaction costs – if applicable – which are charged when purchasing and selling such securities; iv) custody fees; v) revenue sharing paid to the Firm and vi) fees paid to us for administrative and supervisory services. Your account will be held with the Third Party Advisory Service custodian where your fees will be assessed and deducted.

Similar investment strategies offered through the Third Party Advisory Services program can be offered by more than one provider, including other TPMMs, as well as through other advisory programs offered through the Firm and its affiliates. You should be aware that lower fees for comparable services may be available from other sources.

The account fees paid by client include portions paid to your Advisory Representative (“Advisory Fees”), as well as to the Firm, the custodian, and the third party money managers selected (“Program Fees”). Mutual funds and exchange traded funds invested in the account also have their own internal fees (“internal fund expenses”) which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Since fees billed to your account for Third Party Advisory Services are typically comprised of both Program Fees and Advisory Fees, Advisory Representatives may have an incentive to select third party advisory services with lower platform Program Fees in order to manage the overall fee charged to you. You and your Advisory Representative should consider the overall fees and expenses, including internal fund expenses, when selecting managers and other portfolio investments.

For further details, please see the applicable Third Party Money Manager's disclosure brochures, investment advisory contracts and account opening documents.

Each of our Advisory Representatives negotiates his or her own management fee schedule; however, management fees charged by the Third Party Advisory Service in connection with their services are not negotiable.

Triad maintains certain revenue sharing arrangements with certain Third Party Advisory Services and product sponsors (please refer to Item 14, Other Compensation).

Private Managed Accounts (PMA) Program

The PMA wrap fee covers the consulting and advisory services provided by the Firm, the Advisory Representatives, the Manager, the portfolio manager, program administrative services, execution of transactions and custodial services provided by the selected custodian (unless otherwise agreed between the custodian and the client). Execution services are provided by Triad. Triad's charges for these services are asset-based and range from 3 to 45 basis points, (i.e., between 0.03% and 0.45% of assets), depending on the account value and the Manager.

For PMA accounts, fees are payable quarterly or monthly in advance, and are automatically deducted from the account pursuant to the applicable agreement. Generally, for accounts on margin, management fees are calculated based on the net equity of the account, which is the value of cash and securities minus the amount of margin debt. In some cases, the fee that the client pays to the Manager will be set forth in the client's separate agreement with the Manager. In those cases, the wrap fee will be equal to the fee charged by the Firm plus the fee charged by the Manager. For more information, see the disclosure document provided by the Manager.

The maximum annual wrap fee is 2.75%. The fee is negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc. The fee may be a fixed annual percentage or a percentage that varies based upon the account value. The schedule of fees will vary depending on the Manager. When a varying percentage fee is used, the fee is charged at the rate that corresponds to the asset value range in which billable asset values fall. Please review the applicable client agreement for the availability of each fee option. The applicable agreement will describe a procedure for terminating the agreement. If fees are paid in advance and the agreement is terminated, the applicable agreement will also describe how unearned prepaid fees will be refunded.

Envestnet Managed Account Solutions (MAS)

The fees are based on a percentage of the account value and will not exceed 2.75%. The fee is negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc. The fee may be a fixed annual percentage or a percentage that varies based upon the account value. The schedule of fees will vary depending on the Manager. When a varying percentage fee is used, the fee is charged at the rate that corresponds to the asset value range in which billable asset values fall. Please review the applicable client agreement for the availability of each fee option.

Accounts with margin balances are billed on the gross market value of all securities within the account. This results in a higher fee than would be paid under a non-MAS program managed account. The specific billing procedures will be disclosed per the terms of Envestnet's advisory agreement and disclosure brochure.

The applicable agreement will describe a procedure for terminating the agreement. If fees are paid in advance and the agreement is terminated, the applicable agreement will also describe how unearned prepaid fees will be refunded.

For further Third Party Advisory Services details, please see the Third-Party Investment Management Consulting Services Wrap Fee Program Brochure. Please read it thoroughly before investing. For further Pinnacle details, please see the Pinnacle Wrap Fee Program Brochure.

FINANCIAL PLANNING AND CONSULTING SERVICES

The fee charged for financial planning and related consulting services will be agreed upon and memorialized in the Planning Agreement. The fees will be determined according to numerous factors including the complexity of the financial plan and the extent of services desired. Fees are negotiable. Financial planning and consulting services are available based upon an hourly rate or a flat fee.

Financial planning fees are billed to the client either monthly, quarterly, semi-annually, or upon completion of the plan. The Planning Agreement may be terminated by either party upon written notice to the other party. Triad will refund any pre-paid fees that were not earned prior to termination of the agreement. Clients who terminate the agreement within five (5) business days of signing the Planning Agreement will be provided a full refund. The fee covers only the financial planning and consulting services provided by the Firm under the Planning Agreement.

Clients who choose to implement any recommendations contained in the financial plans through the Firm or any of its investment adviser representatives or affiliates will incur additional advisory fees, costs and charges as further discussed below.

RETIREMENT PLAN CONSULTING SERVICES

Fees charged by the Firm for retirement plan services are flexible. All fees will be paid according to the Retirement Plan Agreement. The client may be charged a fee based on a percentage of plan assets, an hourly rate or a flat fee. The plan may choose whether the fees will be paid upon invoice or will be deducted from plan assets. The latter option will usually require the plan sponsor to authorize the plan's recordkeeper or custodian to pay the Firm from plan assets. If the plan assets are held in Triad brokerage accounts, the fees will typically be billed monthly or quarterly in advance. If assets are held at another custodian, the agreement will describe the agreed-upon payment methodology.

The sponsor may terminate the agreement within five (5) business days of executing the Retirement Plan Agreement without incurring a penalty or charge. If the agreement is terminated prior to the end of a full billing period, Triad will be entitled to pro-rata compensation.

To understand and evaluate the total fees being paid by the plan in connection with investment related services, the client should review both the fees charged by the mutual funds, ETFs and other investments available within the plan, the costs of the plan's other service providers and the fees charged by Triad.

Clients that receive retirement plan services may also use other products or services available from or through the Firm and its affiliates, which products or services cause additional compensation to be received by the Firm and its affiliates. The availability of such services creates a conflict of interest that gives the Firm and our investment adviser representatives an incentive to recommend advisory services and programs based on the compensation received. We have policies and procedures in place to prevent conflicts of interest from influencing recommendations made by our investment adviser representatives and to assure that recommendations are consistent with our duties to clients.

NEGOTIATION OF FEES

Fees are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, your relationship with us and our Advisory Representative, the size of the account, the potential for other business or clients, the amount of work anticipated and the attention needed to manage your account. As a result of these and other factors, the sponsors of the advisory programs offered also set different limits on fees that are charged to you. Please note that the same or similar services to those described above may be available elsewhere to you at a lower cost.

ADDITIONAL FEES AND EXPENSES

Mutual fund investments in the programs that we offer are no-load or load at NAV. Certain mutual fund investments are subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details. Triad and your Advisory Representative do not retain 12b-1 fees paid by mutual funds. A \$10 surcharge is applied for certain mutual funds. For details, please refer to Item 5 (Fees and Compensation) of the Advisor Managed Portfolios wrap fee brochure.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you normally incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Advisory Representatives may receive commissions or other fees or compensation in relation to any investment or insurance product placed through or with Triad as a broker-dealer outside your Model Program account. Therefore, Advisory Representatives have a conflict of interest in recommending such products.

In their capacity as registered representatives and/or licensed insurance agents, your Advisory Representative may offer securities and insurance products and receive commissions as a result of such transactions. The recommendation to purchase a commission product creates a conflict of interest since the receipt of commissions provides an incentive to recommend products based on commissions to be received rather than your particular needs.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B and C shares), some mutual funds also offer institutional shares classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually, but not always, have a lower expense ratio than other shares classes. An investor who holds a more expensive share class of a fund will pay higher fees over time – and earn lower investment returns – than an investor who holds a less expensive share class of the same fund. Not all mutual funds and share classes offered to the investing public are available through our advisory programs for which a client might otherwise be eligible to purchase.

The Firm and its Advisory Representatives have a financial incentive to recommend or select share classes that have higher expense ratios because such share classes generally result in higher compensation. The Firm has taken steps to minimize this conflict of interest by implementing additional training for Advisory Representatives, increasing the proportion of institutional share classes that are available on the platform and rebating Rule 12b-1 fees on both qualified and non-qualified client accounts. Regardless, however, clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

In an advisory program, the appropriateness of a particular mutual fund share class should be determined based on the presence and nature of selling agreements with the mutual fund sponsors.

Representatives can recommend that products on which they previously received a commission be converted to positions in a fee-based advisory account. This recommendation can be considered a conflict of interest, and we manage the conflict through written disclosure to you and by imposing reasonable controls designed to monitor for this activity. Mutual funds moved from a commission account to a fee-based advisory account will be converted to a lower-cost share class if available on the Firm's Approved Advisory Products List (discussed below). However, recently purchased A share mutual funds cannot be transferred to fee-based accounts. Other commissionable products can be transferred in-kind to an advisory account (i.e., equities and exchange-traded-funds) subject to the Firm's approval. We do not allow the systematic conversion of recently purchased commission-based products to fee-based advisory accounts.

In an effort to mitigate the above-referenced conflicts and meet current SEC regulatory expectations, Triad has created an Approved Advisory Products List ("Products List") to which the Firm's advisory activities are subject. The selection of mutual funds and share classes for the Products List is based on a number of factors including expense ratio, availability, and supervision practicality. Triad has implemented procedures whereby no new mutual fund purchases may be made in advisory accounts unless such mutual funds and share classes have been approved and are listed on the current Products List. Further, to the extent that certain funds currently held in advisory accounts are on the Products List but not held in an approved class, Triad has a periodic process of converting all such holdings to an approved share class, without tax consequence and at no cost, in most cases.

Notwithstanding the foregoing, you should understand that despite its inclusion on the Products List, the share class offered for a particular mutual fund in many cases will not be the least expensive share class that the mutual fund makes available. Also, other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through Triad. We also note that to the extent that an advisory account includes mutual fund holdings that are unapproved as to both fund and share class, such funds may continue to be held in that account (although no new purchases shall be permitted).

Finally, we note that Triad's policies and procedures allow the Firm's advisory representatives to formally request for both new inclusions to the Products List as well as (in rare cases) waivers from its applicability. Clients may find additional information relating to mutual fund share classes by visiting <http://www.finra.org/investors/alerts/understanding-mutual-fund-classes>.

Finally, certain additional brokerage fees and custodian fees apply to your advisory accounts where Triad is acting as the broker-dealer. In some instances, we apply a markup to these fees. Examples of instances where a markup fee is applied include, but are not limited to, outgoing account transfer fees, correspondent internal transfers, margin fees, insufficient funds fees, check stop payment fees, direct registration system transfers, redemptions, reorganizations, cash due interest, and free credit interest. Depending on the custodial fee, it is applied annually, per transaction, per month or per CUSIP. Please visit the Firm's website for the NFS brokerage fee schedule (Go to: www.triad-advisors.com → Disclosures → Schedule of Miscellaneous Account & Service Fees for NFS).

WRAP ACCOUNTS

For Advisory Programs that we offer Wrap Account pricing, the fee for transactions executed in your account are included in your account fee. As a result, in some cases the quarterly fee charged in a Wrap Account will be higher than that of a Non-Wrap Account with separate advisory fees and transaction charges. Please consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in the account, the value of services that are provided under the investment program, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately. Generally, wrap programs are relatively less expensive for actively traded accounts. However, the fees in a Wrap Account will be higher overall cost to a client than in a Non-wrap, if the Wrap Account has low trading activity.

OPTIONS FOR ASSETS INVESTED IN RETIREMENT PLAN ACCOUNT

If you have an employer-sponsored retirement plan, you may have several choices as to what to do with your assets when you retire or change jobs. Generally, you might choose one of the following options:

1. Keep your assets in the employer's plan (if allowed)
2. Rollover your assets into an individual retirement account, commonly referred to as an IRA
3. Rollover your assets to another employer-sponsored plan
4. Take a distribution in cash from the plan

Your Advisory Representative has a financial incentive to recommend an IRA rollover because of the compensation he/she will receive when you transfer funds to an account on which the representative will receive a fee from an employer-sponsored retirement plan or from another IRA. This conflict also pertains to situations where you are a participant in a plan where your Advisory Representative is a fiduciary. You should carefully discuss and weigh the advantages and disadvantages of each option with your Advisory Representative before making your decision.

BANK DEPOSIT SWEEP PROGRAM

The Bank Deposit Sweep Program ("BDSP") is the core account investment vehicle used to settle transactions and hold cash balances waiting to be reinvested for all eligible accounts except advisory IRAs (for advisory IRA accounts, see discussion of Insured Cash Account Program below). The cash balance in an eligible brokerage

account is automatically deposited or “swept” into the BDSP, which uses an FDIC-insured bank deposit account. Available cash in your account is deposited through the BDSP into interest-bearing deposit accounts at one or more FDIC-insured depository institutions (“Program Banks”). The list of Program Banks and current interest rates for BDSP deposits are available from your representative or on Triad’s website at www.commercialbank.com/customer-information. The maximum amount of FDIC insurance coverage for your deposits in the BDSP is up to \$1.5 million (for an individual account) or up to \$3 million (for a joint account). Funds deposited through the BDSP are not eligible for SIPC coverage.

The interest rate payable to you is based on the amounts paid by the Program Banks to us and less a fee retained by us, which may be up to 3% on an annualized basis as applied across all deposit accounts.

Insured Cash Account Program

The Insured Cash Account Program (“ICAP”) is the core account investment vehicle used to settle transactions and hold cash balances awaiting reinvestment offered for advisory IRA accounts exclusively. As with the BDSP, the cash balance in an eligible brokerage account is automatically deposited or “swept” into an FDIC-insured bank deposit account. Commencing in January 2018, the ICAP replaced the BDSP for advisory IRA accounts only. As noted above, the BDSP remains in place as the core account “sweep” vehicle for non-IRA accounts. The maximum FDIC insurance coverage for your deposits in the ICAP is identical to that for the BDSP noted above.

Each month, a level administrative fee is applied to advisory IRAs using the ICAP as the core account investment vehicle for administrative services performed in operating the program. The level account fee is predetermined by formula, as stated in the ICAP Disclosure Document, and we cannot earn income in excess of the stated level account fee. The aggregate interest generated by banks participating in the ICAP is used to pay the level account fee for each individual client and to pay any third-party vendor fees. All interest left over after these payments is then credited to client accounts in the program. A detailed explanation of the method for calculating interest and fees is available in the ICAP Disclosure Document, which is available from your representative or on Triad’s website at www.commercialbank.com/customer-information.

Cash Sweep Program Disclosures

In addition to its customary investment advisory fee, Triad also receives compensation in connection with cash balances held in these accounts as a broker-dealer. If cash is swept into the BDSP, ICAP or a money market fund, Triad receives compensation based on the value of assets in these funds or accounts as broker-dealer. This fee will reduce the amount of interest that clients receive in connection with cash held in their accounts. As noted, this compensation is in addition to the advisory fee that Triad receives with respect to the assets in the sweep investment. We will also pay a fee to NFS. Triad will not receive a fee in connection with the BDSP or ICAP with respect to cash in certain retirement accounts. In such cases, the fee will be retained by the custodian.

This compensation related to the BDSP, ICAP and sweep money market funds presents a conflict of interest to Triad because Triad receives a financial benefit if cash is invested in the BDSP, ICAP or the sweep funds. However, your investment adviser representative will not receive any portion of the BDSP or ICAP fee received by Triad. Triad has an incentive to recommend that clients select a money market fund or the BDSP or ICAP as a sweep vehicle as it may pay more compensation to Triad than other funds or available sweep options, if any. The revenue generated by us can be greater than revenues generated by sweep options at other brokerage firms. It can also be greater than other core account investment vehicles currently available to you or possible core account investment vehicles we have used in the past or may consider using in the future.

If you are eligible for the BDSP/ICAP and you open an account, you authorize Triad to establish the BDSP/ICAP as your core account investment vehicle. If your account is not eligible for the BDSP/ICAP, we provide you with access to other core account investment vehicles, including money market funds, to hold a cash balance waiting to be reinvested. Money market funds can lose value and have done so in the past. Different core account investment vehicles can have different rates of return and different terms and conditions such as FDIC insurance or SIPC protection.

If your account is otherwise eligible but you do not wish to use the BDSP/ICAP as its core investment vehicle, we generally will not be able to maintain your account. You are not obligated to use any of our managed accounts and can select a managed account at another broker-dealer where similar programs may not exist. However, you would lose the benefit of having your account managed by your representative and Triad.

Specific program features of the BDSP/ICAP are further explained in a separate disclosure document provided to all brokerage clients. For additional information on the BDSP/ICAP, including participating banks, please contact your investment adviser representative or on Triad's website at www.compassadvisors.com/customer-information.

Material Conflicts of Interest

A conflict of interest arises due to the financial incentive from offering sweep vehicles that generate third party payments to Triad's broker/dealer. Since additional compensation is earned by Triad through the sweep vehicles offered, a conflict of interest also arises due to an economic benefit derived by cash balances being swept into the program rather than reinvested in other investment funds or securities. This additional compensation is in addition to the management fee that Triad receives in connection with such balances pursuant to the client's advisory contract.

In addition, a conflict of interest arises as a result of the financial incentive for Triad to recommend and offer the Bank Deposit Sweep Program that may be viewed as a proprietary product, and that generates additional compensation, up to a maximum of 300 basis points annually. The foregoing conflicts of interest are mitigated under our policies and procedures, that have been adopted for this purpose, and by the fact that the representative who makes investment recommendations for your program account does not receive any economic benefit from these payments.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither the Firm nor its Advisory Representatives accept performance-based fees (i.e. fees based on a share of capital gains or capital appreciation of the assets of a client). Nor does the Firm engage in side-by-side management (i.e. managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees). As a result, this disclosure item is not applicable.

ITEM 7 - TYPES OF CLIENTS

Our Advisory Representatives provide investment advisory services to:

- Individuals (including high net worth individuals)
- Banking or thrift institutions
- Pension and profit-sharing plans
- Trusts
- Estates or charitable organizations
- Corporations
- State and municipal governmental entities
- Other business entities

Our minimum account size requirements for opening an account with us are as follows:

Program	Requirement
Triad Wealth Management Platform –Advisor Managed Portfolios	\$50,000

Triad Wealth Management Platform –Unified Managed Account Program	The program minimum for the Unified Managed Account Program is \$5,500. The specific minimum varies according to the investment manager and asset allocation model selected.
Third Party Advisory Services	Each Third Party Advisory Service sets their own minimums
Financial Planning & Consulting Services	No minimum
Retirement Plan Consulting	No minimum

All account minimums may be waived at the sole discretion of the Program Sponsor.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Advisory Representatives rely on various types of tools and methods to assist in recommending or selecting investment strategies to you. As noted in Item 4, your Advisory Representative formulates an investment strategy based on discussions with you regarding, among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation. Based on those discussions, a portfolio of investments is constructed for you.

Investment returns are highly dependent on the value of underlying securities which are impacted by trends in the various investment markets. All investments carry a certain degree of risk and no one particular security, investment product, investment style or portfolio manager is suitable for all types of investors. Since the Firm and its Advisory Representatives recommend and offer a broad spectrum of investment products, programs and strategies, the methods of analysis and investment strategies recommended will vary based upon the Advisory Representative making the assessment and providing the advice. Under the Third Party Advisory Services Program, each third party asset manager has its own methods of analysis, investment strategies and unique investment risks that should also be reviewed and considered.

METHODS OF ANALYSIS

The Firm does not require our Advisory Representatives to implement a particular investment strategy or method of analysis which will vary based upon the individual Advisory Representative making the assessment and providing the advice. Some of the more common methods of analysis that are used are Fundamental and Technical analysis. Fundamental analysis is security analysis grounded in basic factors such as the financial condition and management of a company as well as overall economic and industry conditions which are used to predict the future value of an investment. The resulting data is used to measure the true value of the company's stock compared to the current market value. Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis involves using chart patterns, momentum, volume, recurring price patterns, trends based upon business cycles and relative strength in an effort to identify patterns that suggest future activity.

ASSOCIATED RISKS

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable, but we cannot guarantee nor have we verified its accuracy. In addition, the data that

we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there can be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Technical Analysis, we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis is used to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which play a part in determining the value of an investment.

When pursuing our strategic long-term investing strategies, we are assuming the Financial Markets will go up in the long-term which cannot be assured. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term creates an opportunity cost, “locking-up” assets that may be better utilized in the short-term in other investments.

1. General Investment Risks

In addition to the personal risk considerations discussed above, the Firm believes it is important for you to understand the risks associated with each recommendation and investment type available. The following is a summary of some of the general risks associated with investing. Please note that this list is not exhaustive, and is provided as an indication of some of the factors that can impact the value of your investments:

Business risk

This is the risk that the strength of the company you are buying a piece of ownership in (stock for example) or are loaning money to (a bond, for example) affects your potential returns. Your returns from the stock purchase or bond purchase are influenced by factors like the company going out of business, or going into bankruptcy, or having a viable and strong revenue stream from the products or services it sells that is not over-shadowed by expenses. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds.

Call risk

This is the risk that your bond or other fixed-income investment will be called or purchased back from you when conditions are favorable to the product issuer and unfavorable to you.

Concentration risk

This is the risk of loss because your money is concentrated in one investment or type of investment. When you diversify your investments, you spread the risk over different types of investments, industries and geographic locations.

Credit risk

This is the risk that the government entity or company that issued the investment will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. You can evaluate credit risk by looking at the credit rating of the bond or the issuer. For example, long-term U.S. government bonds currently have a credit rating of AAA, which indicates the lowest possible credit risk.

Currency risk

This is the risk of losing money because of a movement in the exchange rate. For example, if the U.S. dollar becomes less valuable relative to the Canadian dollar, your U.S. stocks will be worth less in Canadian dollars. This applies when you own foreign investments.

Default risk

This is the risk that a bond or other fixed-income investment issuer is unable to pay the contractual interest or principal on the product in a timely manner or at all.

Financial risk

This is the risk that the companies you invest in will perform poorly, which affect the price of your investment. You can't eliminate financial risk; however, you may be able to minimize the impact through diversification.

Foreign Investment risk

This is the risk of loss when investing in foreign countries. When you buy foreign investments, such as shares of companies in emerging markets, you face risks that do not exist in the United States (for example, the risk of nationalization).

Horizon risk

This is the risk that your investment time horizon may be shortened due to a foreseen or unforeseen event, thus requiring you to sell the investment(s) that you were expecting to hold for a longer term. If you must sell at a time when the markets are down, you may lose money.

Inflation risk

Inflation risk, also called purchasing power risk, is the chance that the cash generated by an investment today won't be worth as much in the future. Changes in purchasing power due to inflation may cause inflation risk. There are investments that help minimize inflation risk.

Interest Rate risk

This is a risk that can affect the value of bonds or other fixed-income investments you may purchase. When interest rates rise, the market value of bonds fall. When interest rates fall, the market value of bonds rise.

Liquidity risk

Liquidity risk arises when an investment can't be bought or sold quickly enough to prevent or minimize a loss. You may be able to minimize this risk by diversifying. A good option is index investing where risk is diversified over the various stocks held in a portfolio tracking a particular index. You can't invest directly in an index.

Manager risk

This is the risk that an actively managed mutual fund, exchange traded fund, or closed-end fund's manager will fail to execute the fund's stated investment strategy.

Market risk

This is the risk that the stock market will decline, decreasing the value of the securities owned. Stock market bubbles and crashes are good examples of heightened market risk. You can't eliminate market risk; however, you may be able to minimize the impact through diversification.

Options risk

This is the risk of the option holder losing the entire amount paid for the option in a relatively short period of time, reflecting the nature of the option as a wasting asset becoming worthless when it expires. If you don't sell an option in the secondary market or exercise it prior to expiration, you will lose your entire investment in the option.

Political and Government risk

This is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

Regulatory risk

This is the risk that changes in law and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

Reinvestment risk

This is the risk of loss from reinvesting principal or income at a lower interest rate.

2. Specific Investment Risks

Triad and your Advisory Representative offer various types of investments. The different types of investments we offer and their potential risks are described below.

- **Stock** – A stock, also known as “shares” or “equity,” implies owning a proportionate amount of a company that issued the stock. It entitles the stockholder (you) to that proportion of the company’s assets and earnings.
 - Major risks: Business, Concentration, Currency, Financial, Foreign Investment, Inflation, Market, Political and Governmental
- **Bonds** – This is a fixed income investment that represents a loan by you (the investor) to a borrower (typically a company, government/municipality, or governmental agency).
 - Major risks: Business, Call, Credit, Default, Financial, Inflation, Interest Rate, Liquidity, Reinvestment
- **Notes (Including Structured Products)** – This is a fixed-income investment where you (the investor) purchase a secured debt (or other assets) and become the lender, after which you receive payments (principal and interest) over a specific period (usually a shorter time period than a bond) from the borrower.
 - Types:
 - Principal Protected Note (PPN) – This is a fixed-income security that guarantees a minimum return equal to the investor's initial investment (the principal amount), regardless of the performance of the underlying assets.
 - Non-Principal Protected Note (NPPN) – This is a fixed-income security that does not guarantee a minimum return equal to the investor's initial investment (the principal amount), because it allows clients to customize the date of return to suit their investment needs. NPPNs can be linked to a variety of underlying investments including indices, single stocks, portfolios of shares, industry sectors, commodities and currencies.
 - Major risks: Call, Credit, Default, Inflation, Interest Rate, Liquidity, Reinvestment
- **Certificate of Deposit (CD)** – This is a fixed-income investment where you (the investor) deposits a sum of money for a specified period and you will receive either a specific rate of interest or a rate of interest linked to an index with a capped gain. Certain CDs can be FDIC insured.
 - Major risks: Call, Default, Inflation, Interest Rate, Reinvestment
- **Unit Investment Trust (UIT)** – This is where a U.S. financial company that buys or holds a group of securities, such as stocks or bonds, and makes them available to investors as redeemable units. UITs have a stated expiration date based on what investments are held in their portfolio; when the portfolio terminates, investors get their share of the UIT's net assets.
 - Major risks: Business, Credit, Interest Rate, Liquidity, Market, Reinvestment
- **Exchange Traded Fund (ETF) and Exchange Traded Note (ETN)** – An ETF is a basket of securities that trades on an exchange (open stock market), just like a stock and it seeks to track an underlying index. ETF share prices fluctuate throughout the trading day as the ETF is bought and sold; this is different from mutual funds that only trade once a day after the market closes. An ETN is a debt instrument that mimics the performance of a basket of securities but does not actually hold them for the benefit of the client. An ETN is an obligation of the issuing company, often an investment bank.
 - Major risks: Concentration, Currency, Foreign Investment, Inflation, Liquidity, Manager, Market, (for ETN: Credit risk)
- **Mutual Fund** – This is a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities. Mutual funds give small or individual investors easier access to diversified, professionally managed portfolios. Mutual funds are divided into several kinds of categories, representing the kinds of securities they invest in, their investment objectives, and the type of returns they seek. Mutual funds charge annual fees (called expense ratios) and, in many cases, commissions, which can affect their overall returns. Most mutual funds offer you different types of shares, known as “classes.” Each class invests in the same portfolio of

securities and has the same investment objectives and policies. But each class has different shareholder services and/or distribution arrangements with different fees and expenses.

- **Open-end**-- With an open-end fund, if you want to buy shares, the management company will sell them to you. They will take your money, add it to the portfolio, and create more shares. You always transact shares of an open-end fund with the issuing fund company, never on the secondary market.
 - Major risks: Concentration, Currency, Foreign Investment, Inflation, Manager, Market

- **Annuity** – This is a long-term investment that is issued by an insurance company designed to help protect the annuitant from the risk of outliving the income generated by their deposits into the contract. Because these are long-term vehicles annuity contracts include contingent deferred sales charges (“CDSCs”) that would result in a forfeiture of a percentage of account value if surrendered prior to their expiration, typically three to 10 years depending on the contract.

Annuities have two phases. Phase one of the annuity contract is known as the accumulation phase, where deposits are designed to accumulate on a tax-deferred basis. During the accumulation phase contract holders can choose annuities with any one or, in some cases, a combination of the following accumulation account options:

- **Variable Annuity** – This is a tax-deferred retirement contract that allows you to choose from a selection of investments called subaccounts. These investments are designed to provide contract holders with a diversified investment portfolio in a specified asset class or general investment strategy. Subaccounts are managed by an investment specialist or a team of specialists who make decisions to manage the subaccount based on the stated objective. Each subaccount will have a unique expense ratio based on the services provided by the investment specialist team. For example, subaccount designed to follow the return of a stock index, such as the S&P 500 will have a lower expense ratio than a subaccount seeking to actively manage a portfolio based on a stated objective.
 - Major risks: Business, Credit, Liquidity
- **Investment-only Variable Annuity (IOVA)** – This is a type of annuity contract that provides you with a simple way to set aside taxable assets in a tax-deferred entity focused on investments only. Unlike most variable annuities which offer living income stream and death benefits (for a cost), IOVAs only offer investments and the ability to access the assets without penalty as early as age 59 ½.
 - Major risks: Business, Liquidity, Market
- **Registered Index Linked Annuity (RILA)** – This is a type of annuity contract that calculates account value adjustments based on the performance of a specified market index, such as the S&P 500. The account value will receive protection against market losses typically through a buffer (carrier accepts the first xx% of losses and the account accepts any additional losses in market value) or a floor (the account accepts the first xx% of losses and the carrier accepts any additional losses in market value). This protection is in exchange for limiting gains in account value to a cap (a maximum account value increase of xx%) or a participation rate (account participates in xx% of the market gains). Fees and caps may limit the potential upside. At the end of the sample period, the account value could increase or decrease.
 - Major risks: Business, Liquidity, Market

Phase two of the annuity contract is known as the annuitization phase. This option converts your purchase payments (what you contribute) and accumulated growth (if any) into periodic payments that can be paid out under various payment options, including a lifetime option. Annuities can provide clients with additional benefits above and beyond tax deferred growth in the form of living benefits or enhanced death benefits including but not limited to the following.

- **Guaranteed Minimum Withdrawal Benefit (GMWB)**– Guarantees clients a stream of lifetime income based on a percentage of the contract’s benefit base. Lifetime GMWB payments are available without having to immediately annuitize the contract.

- **Guaranteed Minimum Accumulation Benefit (GMAB)** – Guarantees a certain portion of the investment is returned to the contract owner regardless of the performance of the subaccounts.
- **Guaranteed Minimum Death Benefit (GMDB)** – Guarantees an enhanced benefit to the contract owner's beneficiaries regardless of the account value on the date of death. These benefits can be based on a return of the initial investment, the highest contract value on the contract's anniversary over a specified period of time or increase at a specified percentage over a period of time.
- **Closed-end Fund** – This is a type of investment vehicle where, at fund inception, the investment company raises a set amount of money and issues a specific number of shares. No new shares are created after that point. Investors can buy the fund shares only on the secondary market, from someone else who is selling shares. Like stocks, closed-end fund shares can be traded at any time of the day when the market is open. The shares reflect market values rather than the net asset value of the fund itself.
 - Major risks: Concentration, Currency, Foreign Investment, Inflation, Manager, Market
- **Hedge Fund** – This is an alternative investment that is operated by a manager who invests the money into different assets to achieve the fund's goals. Hedge funds got their name from investors holding both long and short stocks in various funds, to make sure they generated a gain despite market fluctuations (called "hedging").
 - Major risks: Business, Concentration, Currency, Interest Rates, Liquidity, Market
- **Interval Fund** – This is a type of investment company that periodically offers to repurchase its shares from shareholders. These shares typically do not trade on the secondary market. These shares are subject to periodic repurchase offers by the fund at a price based on net asset value.
 - Major risks: Credit, Liquidity, Market
- **Managed Futures** – This is an alternative investment where a portfolio of *futures* contracts is actively *managed* by professionals. *Managed futures* are considered an alternative investment and are often used by funds and institutional investors to provide both portfolio & market diversification.
 - Major risks: Foreign Investment, Horizon, Inflation, Interest Rate, Market
- **Non-Traded REIT** – This is an alternative real estate investment designed to reduce or eliminate tax while paying dividends and/or providing returns on real estate appreciation. A non-traded REIT does not trade on a securities exchange and, is therefore quite illiquid for extended periods of time.
 - Major risks: Business, Concentration, Credit, Financial, Inflation, Interest Rate, Liquidity, Political and Government

When you are deciding whether to invest in a specific investment, make sure you obtain, review and discuss with your Advisory Representative the documentation related to the investment which outlines the details of the investment (i.e., prospectuses, annual reports and offering memorandums that discuss the structure of the investment, fees/costs, management, portfolio, restrictions, contributions, distributions, risks, etc.) The documentation should be provided by your Advisory Representative or can be obtained directly from the investment sponsor.

Pledging Assets

Clients should be aware that pledging assets in an account to secure a loan or purchase securities on margin involves additional risks. The broker/dealer or bank holding the loan has the authority to liquidate all or part of the securities at any time without your prior notice in order to maintain required maintenance levels, or to call the loan at any time. As a practical matter, this may cause you to sell assets and realize losses in a declining market. These actions may interrupt your long-term investment goals and result in adverse tax consequences and additional fees to the bank. The returns on accounts or pledged assets may not cover the cost of loan interest and account fees and may dictate a more aggressive investment strategy to support the costs of borrowing. Before pledging assets in an account, clients should carefully review the loan agreement, loan application and any forms required by the bank and any other forms and disclosures provided by the Firm.

Listed above are some of the primary risks associated with the way we recommend investments to you. Please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Investing in securities involves risk of loss that you should be prepared to bear.

ITEM 9 - DISCIPLINARY INFORMATION

FINRA filed an administration complaint against Triad on March 12, 2014 (Case #2011025792001). On March 12, 2014, Triad entered into an Acceptance Waiver and Consent with FINRA resolving the complaint. The complaint concerned consolidated reports, branch audits, supervision, net capital, and Regulation S-P. Triad consented to a censure, a monetary fine of \$650,000, restitution to customers totaling \$375,000, and a review and revision to its consolidated reporting and branch audit processes.

The State of Florida instituted an administrative proceeding against Triad on July 22, 2015 (Case #OFR 2015-277). Florida alleged that a registered branch of Triad's broker-dealer failed to maintain a checks received blotter and that Triad failed to maintain a copy of the approval of the branch's stationery and a record of the broker-dealer representative's outside business activity. The matter was resolved by consent, with Triad agreeing to pay a monetary fine of \$7,500 and agreeing to cease and desist certain activity.

FINRA filed an administration complaint against Triad on February 23, 2016 (Case #2014042544301) due to Triad's failure to apply sales charge discounts to certain customers' eligible purchase of unit investment trusts ("UITs") in violation of FINRA Rule 2010. During the same time period, FINRA alleged that Triad failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases in violation of NASD Rule 3010 and FINRA Rule 2010. On February 26, 2016, Triad consented to a censure, a \$125,000 fine and restitution to customers totaling \$102,631.62.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

OVERVIEW

This section contains information about our financial industry activities and affiliations. We provide information about the material relationships and arrangements we have with any related persons, including broker-dealers and investment advisers. We identify if any of these relationships or arrangements create a material conflict of interest with clients and discuss how we address these conflicts. "Related persons" are defined as entities that we control or control us or are under common control with us.

CORPORATE STRUCTURE

Triad is a wholly owned subsidiary of Advisor Group Holdings, Inc. ("AGHI"), which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2006 Trust.

OTHER INDUSTRY AFFILIATES

Triad has the following affiliates, which are wholly owned subsidiaries of Advisor Group Holdings, Inc.

Securities America Financial Corporation (SAFC) Holding Company	100% owned by AGHI
Securities America, Inc. (SAI) Broker/Dealer	100% owned by SAFC
Arbor Point Advisors, LLC (APA) Registered Investment Advisor	100% owned by SAFC
Ladenburg Thalmann Asset Management (LTAM) Registered Investment Advisor	100% owned by AGHI
Ladenburg Thalmann & Co., Inc. (LTCO) Broker/Dealer	100% owned by AGHI
Ladenburg Capital Agency Inc. Insurance Company	100% owned by AGHI
Securities America Advisors, Inc. (SAA) Registered Investment Advisor	100% owned by SAFC
Triad Hybrid Solutions, LLC Registered Investment Advisor	100% owned by AGHI
Highland Capital Brokerage Insurance Company	100% owned by AGHI
Premier Trust, Inc. Trust Company	100% owned by AGHI
Triad Insurance, Inc. Insurance Company	100% Owned by AGHI

Triad also has related persons who are under common control of AGHI. Triad's affiliates below and your Advisory Representative cannot conduct or recommend business through these related persons, these relationships do not create a material conflict of interest. The following chart details the related persons, which are wholly owned subsidiaries of Advisor Group, Inc. ("AGI"), which is a wholly owned subsidiary of AGHI.

Advisor Group, Inc. (AGI) Holding Company	100% owned by AGHI
Royal Alliance Associates, Inc. (RAA) Registered Investment Advisor, Broker/Dealer	100% owned by AGI
Financial Service Corporation (FS Corp) Holding Company	100% owned by AGI
FSC Securities Corporation (FSC) Registered Investment Advisor, Broker/Dealer	100% owned by FS Corp

SagePoint Financial Inc (SPF). Registered Investment Advisor, Broker/Dealer	100% owned by AGI
Woodbury Financial Services, Inc (WFS). Registered Investment Advisor, Broker/Dealer	100% owned by AGI
Vision2020 Wealth Management Corp. Registered Investment Advisor	100% owned by AGI

BROKER-DEALER REGISTRATION

As noted in Item 4, Triad is dually registered as both a broker-dealer with FINRA engaged in the offer and sale of securities products and as an Investment Adviser with the SEC in order to offer investment advisory products and services to its advisory clients. Triad's registration as a broker-dealer is material to our advisory business because at times our advisory accounts are held with Triad. This results in additional compensation to be earned by Triad (in their capacity as an introducing broker- dealer). These conflicts of interest due to the additional compensation are further described herein or within other disclosures for the applicable program.

Most of our Advisory Representatives are associated with Triad as Registered Representatives. Your Advisory Representative will take into consideration all types of accounts that could be offered (i.e., both brokerage and advisory accounts) when making the recommendation of an account that is in your best interest. Refer to brokercheck.finra.org for more information on your Advisory Representative's specific licenses.

Account recommendations include recommendations of securities account types generally (e.g., to open an IRA or other brokerage account), as well as recommendations to roll over or transfer assets from one type of account to another (e.g., a workplace retirement plan account to an IRA).

If acting as a registered representative, your Advisory Representatives can recommend the purchase of securities offered by Triad. If you purchase these products through them, they will receive normal commissions which will be in addition to customary advisory fees. As such, Advisory Representatives have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest could exist between their interests and your interests. We maintain policies and procedures to ensure recommendations are in your best interest.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented. All such transactions are effected in compliance with the Advisers Act and other applicable law, including our duty to seek best execution.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

INSURANCE

Triad is also an insurance agency licensed to do business in all 50 states.

Advisory Representatives that are also insurance licensed are permitted to sell fixed insurance products including, but not limited to, fixed annuities, term life insurance, and whole life insurance for compensation through Triad's insurance agency or an independently owned agency.

Highland Capital Brokerage (“Highland”) is a related person of the Firm and an independent insurance brokerage firm that delivers life insurance, fixed and equity indexed annuities, long-term care solutions and variable insurance wholesaling support to investment and insurance providers. Some employees of Highland may also be registered with us and/or our broker/dealer affiliates.

OUTSIDE BUSINESS ACTIVITIES

Since registered representatives are independent contractors of Triad, they have the ability to engage in certain other business activities separate from the activities they conduct through Triad. Some of Triad’s affiliated representatives are permitted to be employed by, or own, a financial services business entity, including an investment adviser business, separate from Triad. Although this is not considered a conflict of interest, clients should be aware that these situations can exist. Such activities include, but are not limited to, tax preparation, insurance, and/or real estate services. When your Advisory Representative engages in these certain other business activities (other than the provision of brokerage and advisory services through us), they could receive greater compensation through outside business activities.

BUSINESS OPERATIONS WITH AFFILIATES

There is a conflict of interest since some of our business operations involve directing clients to products or services of our affiliated companies; Triad or AGHI can receive compensation when doing so. Your Advisory Representative, however, does not receive a portion of this additional compensation and therefore does not have a conflict of interest in recommending the use of one of our affiliated companies. Consequently, the Firm’s conflict of interest to you is mitigated since your Advisory Representative does not receive additional compensation for recommending to you our affiliates. The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest and in conjunction with the lack of compensation to your Advisory Representative, believe this mitigates any conflict to the Firm.

Premier Trust. Your representative can recommend Premier Trust, a Nevada chartered trust company, to provide trust, estate planning and administrative services. When making any recommendation, representatives first consider whether Premier Trust can adequately service client needs and whether any other efficiencies or benefits will result to the client. Clients are not obligated to follow our recommendations or use Premier Trust’s services. When used, Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

Highland Capital Brokerage (Highland). Highland is an independent insurance brokerage firm that distributes fixed and variable life insurance, disability insurance, fixed and indexed annuities, and long-term care solutions to financial professional and their clients. Some employees of Highland are also registered with us and/or our broker/dealer affiliates.

Ladenburg Thalmann & Co. Inc. (LTCO): LTCO is a registered broker/dealer. As such, it can act as a dealer relative to certain securities and execute transactions in its capacity as a principal for Triad clients. Fixed income securities are traded primarily in “dealer” markets, meaning securities are purchased directly from or sold to a financial institution acting as “dealer” or “principal.” Dealers executing principal trades typically include a “mark-up,” “mark-down,” and/or “spread” in the net price at which transactions are executed. This compensation is in addition to other compensation clients pay to Triad and its affiliates. To address this conflict of interest, clients are given disclosures about principal transactions with LTCO and have the opportunity (to the extent required by applicable law) to reject the transaction before its completion. In addition, clients are generally given transaction specific disclosure prior to their decision to invest in such securities.

If your representative uses LTCO Fixed Income Solutions (“FIS”), your representative has incentives to recommend certain structured products in the initial offering. Structured products are fixed-income investments where you (the investor) purchase a secured debt (or other assets) and become the lender, after which you receive payments (principal and interest) over a specific period (usually a shorter time

period than a bond) from the borrower. Clients are given transaction specific disclosure prior to their decision to invest in such securities. Structured products traded through LTCO are only available to clients through representatives who have completed our required education and training.

LTCO FIS may earn compensation on your riskless principal trades. The amount of compensation, in addition to any price mark-up or mark-down, is disclosed on your corporate and municipal securities bond trade confirmations. The relationship between your representative and LTCO FIS will be disclosed prior to the execution of your trade. Your representative is required to disclose this conflict and receive your consent prior to entering your trade.

Your representative can also recommend clients invest in securities issued in an initial public (“new issue”) and secondary offering for which LTCO acts as a manager, an underwriter and/or a member of the selling syndicate. Triad can also act as a member of the selling syndicate. We have a conflict of interest when recommending these securities because:

- LTCO receives all or a portion of the gross spread (the difference between the price paid by the client for the security and the price for which LTCO purchases the security) in connection with such sales. This gross spread will vary between different offerings. If Triad also acts as a member of the selling syndicate, they receive a portion of the gross spread. If your representative is also a registered representative, he or she generally receives a portion of this compensation in that separate capacity.

Because of our affiliation with LTCO, we have incentives to recommend investments in these initial and secondary offerings for the above reasons rather than based on client needs. To address these conflicts, we have policies and procedures in place to make sure securities in initial public offerings are recommended only to clients for whom they are in the client’s best interest based on client investment objectives and holdings. If securities acquired in initial public and secondary offerings become oversubscribed, we have policies and procedures in place addressing the allocation process under these circumstances.

Clients are not obligated to use any LTCO services recommended.

Ladenburg Thalmann Asset Management, Inc. (LTAM). LTAM is an SEC registered investment advisor specializing in investment management, market analysis, due diligence, fund selection, asset allocation and diversification strategies. LTAM sponsored programs and their characteristics are more fully described in its disclosure brochures, which are available to any client or prospective client upon request.

LTAM offers the Ladenburg Funds (i.e., Ladenburg Income Fund, Ladenburg Income & Growth Fund, Ladenburg Growth & Income Fund, Ladenburg Growth and Ladenburg Aggressive Growth), each of which is an open-end fund; the Alternative Strategies fund which is a closed end interval fund, as well as the Total Portfolio Series funds (Collective Investment Trusts) established for retirement plans. Our Advisory Representatives can recommend clients invest in these funds as well as other Ladenburg portfolios. Transactions within these funds are generally executed through LTCO, which receives commissions when executing trades on behalf of the Funds.

- LTAM operates \$ymbil®, an online, interactive tool designed to assist clients in selecting among the five Ladenburg Funds by using a questionnaire to gauge a client’s time horizon, risk tolerance and investment objectives. A client investment profile is created from the responses to this online questionnaire. LTAM has no discretion over a client’s investments. Our representatives can recommend clients use \$ymbil®, and if clients implement transactions using \$ymbil®, both Triad and our representatives receive solicitor fees. This creates a conflict of interest; however, clients have no obligation to accept any suggestions provided by \$ymbil® or to invest in any of the Ladenburg Funds.
- LTAM offers the Qui(k) program (Qui(k)), a fully-bundled 401(k) plan offering that incorporates a broad selection of investment products that are selected and monitored by LTAM, which serves as the ERISA Section 3(38) investment fiduciary for the plans associated with the platform. Through Qui(k), LTAM has entered into an agreement to provide 3(38) investment

fiduciary services to TRG Fiduciary Services, LLC (TRGF). TRGF is the Pooled Plan Provider (PPP) for the Qui(k) platform, TRGF's Pooled Employer Plan (PEP). LTAM, as well as the other Qui(k) platform service providers, are engaged by TRGF in their capacity as the PPP named fiduciary and PEP plan sponsor. Employers who participate in Qui(k) will sign a separate agreement engaging TRGF as the PPP. There is a conflict of interest if clients elect to participate in Qui(k) since LTAM and Triad generally receive more compensation than if clients purchase other investments. However, TRGF, LTAM, and Triad do not engage in any revenue sharing as a result of this relationship. The specific manner in which fees are charged is established for a client in the client's written investment advisory agreement.

We offer clients access to professional third-party money managers that create and implement portfolios with a variety of investment strategies. LTAM is among the third-party money managers that can be recommended to clients. Triad has a conflict of interest when recommending LTAM to clients in the PMA Program. Advisory Representatives receive compensation that varies depending on the third-party managers recommended. Triad earns more total compensation when a client selects LTAM as a third-party manager than we would earn if the client selects certain other unaffiliated third-party managers. Thus, our representatives have a conflict of interest because of an incentive to recommend certain managers over others.

We address these conflicts of interest through policies and procedures that, among other things, require representatives to make suitable recommendations, to act as a fiduciary to clients, and to act solely in clients' best interests.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

This response is only intended to provide you with a summary description of our Code of Ethics. If you wish to review our Code of Ethics in its entirety, you can obtain a copy by calling us at the number provided on the cover.

It is Triad's policy to prohibit agency cross transactions where representatives act as brokers for both buying and selling a single security between two different clients and are compensated through an agency commission or principal mark-up for the trades. If we adopt a different policy in this area, we will observe all rules and regulations in accordance with the disclosure and consent requirements of Section 206(3) of the Advisers Act. Additionally, we are aware that such transactions only occur if we ensure that we meet our duty of best execution for the client.

Related Person(s) to us may have an interest or position in securities which may be recommended to you.

Our Advisory Representatives, from time to time, can recommend investment products to you, including mutual funds, variable and fixed annuities, and other insurance products, sponsored, distributed, or managed by our Related Persons. Advisory Representatives may also recommend that you select portfolio managers that are

Related Persons. These Related Persons may, from time to time, place brokerage transactions with Triad and refer you to us. Such recommendations and arrangements might create a conflict of interest because they may result in an increase in compensation for us, our Advisory Representatives and our Related Persons.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

We may recommend securities to you or buy or sell securities for your account at or about the same time we buy or sell the same securities in our own account. In those instances, the Firm maintains policies and procedures to avoid, detect, and correct conflicts of interest that arise if you and the Advisory Representative (including related persons) invest in the same security on the same side of the market on the same day.

ITEM 12 - BROKERAGE PRACTICES

We do not engage in any soft dollar practices.

We utilize NFS to execute advisory account transactions and to custody advisory assets in connection with investment advisory programs we offer you. Transactions executed through NFS are subject to our duty to obtain "best execution", i.e., a price that is as favorable to you as possible under the prevailing market conditions. While we make every attempt to obtain the best execution possible, there is no assurance that it will be obtained. You should consider whether our programs result in costs or other disadvantages to you as a result of possibly less favorable trade executions.

Occasionally, a trading error may occur where either we, or our Advisory Representatives, are at fault for effecting one or more erroneous securities transactions for a client's brokerage account. If this occurs in your account, the error will be corrected, and your account will be restored to the same economic position had the error never occurred. In the process of restoring your account, a profit may be realized, or a loss suffered in connection with correcting this error. Neither losses nor gains realized will be passed on to you. As a result, trade corrections can result in a financial benefit to us or our affiliated broker/dealers.

In connection with the provision of Third Party Advisory Services, our choice of custodian will be limited to those choices offered by the Third Party Advisory Service.

When the purchase or sale of a particular security is appropriate for more than one client account, trades for advisory clients may be aggregated. We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is our practice that these orders be "batched" for ease of execution. This is done principally to ensure that clients are treated fairly and that one client is not advantaged at the expense of another client. Trades with advisory clients may be aggregated with those of other clients of your representative or the personal trades of your representative's accounts as well. Aggregate orders will not reduce your transactions costs. There may be several prices at which the securities transactions are executed, even though the orders were entered as one order for all accounts. Your investment adviser representative may aggregate all, none or some of client trades based on, among other things, a client's investment guidelines and restrictions (including those on the use of discretion by the representative) the type of securities and the size of the order.

Our policies do not require your investment adviser representative to aggregate or block trade client orders. When a representative chooses not to aggregate client orders for the same security a conflict of interest exists. In such instances, the adviser must decide which client order to place first which may result in one client receiving a better execution price over another client and will lead to certain client accounts receiving more favorable order executions over time. We do not monitor representatives choosing not to aggregate orders to determine whether any one client or group of clients is systematically disadvantaged over time. It is our practice to treat all subject accounts equally when a block trade occurs, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account. We may determine not to aggregate transactions, for example,

based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the Firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating will, in certain circumstances, cost clients more money. Clients that are not included in block trading of other client accounts may receive a higher or lower price than clients that have been included in a block trading order. In order to ensure that no client or group of clients is favored over another, we retroactively review the block trading activity with respect to clients that are not included in block trades with other clients of a representative for the same security on the same date.

ITEM 13 - REVIEW OF ACCOUNTS

Each purchase or sale of a security affected by our Advisory Representative in your account is monitored for suitability by an appointed supervisor. In addition, our Advisory Representatives periodically review your accounts as needed, but no less than annually. Such review and consultation typically contain, when warranted, advice regarding recommended changes to your investments and recommendations for implementation of proposed changes.

You will receive monthly and/or quarterly statements.

Your Advisory Representative can also send you a quarterly performance report ("QPR"). QPRs are for informational purposes only and based on information believed to be accurate, but that we have not verified. For accurate account information, you must refer to the account statement from the account custodian.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

CLIENT REFERRALS

The Firm has arrangements with individuals ("Solicitors") under which the Solicitors introduce potential advisory clients to the Firm in exchange for a referral fee. Solicitor arrangements are conducted in accordance with the SEC's "Solicitor Rule" (Rule 206(4)-3). If you are introduced to us through a Solicitor, a separate disclosure statement is provided to you advising that a referral fee is being paid to an individual that is unaffiliated with the Firm.

OTHER COMPENSATION

Triad offers a range of investments and services to its clients. As you work with your Advisory Representative to determine the right investments and services to achieve your investment goals, it is also important for you to understand how Triad, AGI and your Advisory Representative are compensated. Certain forms of compensation can create conflicts of interest, and it is important for you to assess these conflicts of interest when making investment decisions.

We maintain policies and procedures to ensure recommendations are suitable and require that Advisory Representatives always act in your best interest. We also maintain a supervisory structure to monitor the advisory activities of your Advisory Representative to reduce potential conflicts of interest. You are encouraged to ask us about any conflict presented. In particular, we note the following:

RECRUITING AND TRANSITION ASSISTANCE

To assist in the costs of transitioning from another investment adviser, we provide various benefits and/or payments to certain Advisory Representatives that are newly associated with the Firm. The proceeds of the transition assistance payments are intended to be used for a variety of purposes, including but not limited to, providing working

capital to assist in funding the Advisory Representative's business, satisfying outstanding debt owed to the Advisory Representative's previous firm, technology set-up fees, marketing and mailing costs, stationery and licensure transfer fees, moving expenses, office space expenses, and staffing support. The amount of the transition assistance is generally based on the size of the Advisory Representative's business established at his or her prior firm. This assistance is generally in the form of loans to the Advisory Representative and are forgiven by us based on the years of service with the Firm.

The receipt of the recruiting/transition assistance creates a conflict in that the Advisory Representative has a financial incentive to recommend a client to open and maintain an account with the Firm.

TOP PRODUCER OPPORTUNITIES

We offer additional educational, training, marketing and home office support services for those Advisory Representatives that meet overall revenue production goals. While these goals are not specific to any type of product or service offered, a conflict of interest exists because these opportunities provide a financial incentive for Advisory Representatives to recommend investment products and advisory services in general.

ADVISOR APPRECIATION PROGRAM

We provide the following compensation and ownership opportunities to certain Advisory Representatives:

- The Retention Program – In very limited situations the Firm provides compensation to certain Advisory Representatives that have been affiliated with the Firm for many years and are profitable to the organization. Although there is no production requirement for these limited situation loans, the loan does create a conflict of interest by requiring the Financial Professional to retain affiliation with the Firm in order to avoid repayment of the loan.
- The Equity Ownership Plan – Certain Advisory Representatives who are accredited investors are offered the opportunity to invest in AG Artemis Holdings, L.P, the parent entity of Triad.

LOANS

Triad provides loans to certain Advisory Representatives as an incentive to establish, maintain, or expand their brokerage and advisory relationships. The repayments of such loans are typically dependent on the financial professional retaining affiliation with us through the end of the loan period. These loans create a conflict of interest for the financial professional to retain affiliation with the firm in order to avoid repayment of the loan.

INDIRECT COMPENSATION AND REVENUE SHARING

Strategic Partners

In addition to commissions or asset based fees, Triad and/or AGI receives compensation ("revenue sharing payments") from the below categories:

- *Packaged Products*: certain mutual funds, variable insurance products, fixed insurance products, direct participation programs, alternative investments, and unit investment trusts (UITs)
- *Retirement Plan Partners*: third-party firms, including plan recordkeeping platforms as well as investment managers of mutual funds and the issuers of annuities
- *Third Party Managers*: certain third-party money managers offered through accounts custodied away from the Broker-Dealer
- *Collateralized Lending Partners*: certain banking institutions that collateralize certain investment accounts to obtain secured loans

The above categories are hereinafter referred to as (“Strategic Partner” or Strategic Partners”). Strategic Partners are selected, in part, based on the competitiveness of their products, their technology, their customer service and their training capabilities. Strategic Partners have more opportunities than other companies to market and educate our Advisory Representatives on investments and the products they offer. Revenue sharing payments are typically calculated as a fixed fee or as an annual percentage of the amount of assets held by customers, or as a percentage of annual new sales, or as a combination of both. Strategic Partners pay Triad and/or Advisor Group differing amounts of revenue sharing, for which the Strategic Partner receives different benefits. You do not pay more to purchase Strategic Partner investment products through Triad than you would pay to purchase those products through another broker-dealer or RIA. Additionally, revenue-sharing payments received by Triad and/or AGI are not paid to or directed to your Advisory Representative. Nevertheless, a conflict of interest exists, in that Triad and/or AGI is paid more if you purchase a Strategic Partner product, and your Advisory Representative indirectly benefits from Strategic Partner payments when the money is used to support costs of product review, marketing or training, or for waiver of mutual fund ticket charges as described below. This conflict of interest is mitigated by the fact that your Advisory Representative does not receive any additional compensation for selling Strategic Partner products, and that the firm maintains policies and procedures to ensure recommendations are in your best interest.

The Firm will update information regarding Strategic Partners who participate in revenue sharing arrangements with Triad on its website on a regular basis. For additional information, including specifics on the revenue share amounts, please refer to the Indirect Compensation link in the Disclosures section of our website at www.comptel.com.

From time to time, Triad and/or AGI also receives revenue sharing payments from companies that are not Strategic Partners, generally to cover meetings expenses.

Clearing & Custodial Firms

NFS provides significant compensation to Triad in their capacity as introducing broker/dealer to offset its general operating expenses based on the number of accounts and/or account assets held by Triad. Compensation received consists of a fixed dollar amount per account and percentage of net new assets and total assets held in clearing accounts at the clearing firms. These forms of compensation are in addition to advisory fees you pay to us. Due to this compensation, the Firm has a conflict of interest in recommending to you a brokerage account where Triad acts as the introducing broker/dealer. Your Advisory Representative does not have financial incentive for selecting NFS as your custodian. We maintain policies and procedures to ensure recommendations of account type are in your best interest.

Certain custodian fees apply to your clearing accounts. In some instances, Triad pays a portion of the fee charged. In some instances, Triad applies a markup to these fees. Examples of instances where a markup fee is applied include, but are not limited to, federal funds wire fees, and other transaction costs assessed by the custodian. Depending on the custodial fee, it is be applied annually, per transaction, per month or per CUSIP.

For more information regarding custodial fees, please see the Disclosures section of the Firm’s website at www.comptel.com for the Schedule of Miscellaneous Account & Service Fees for NFS.

Other Cash and Non-Cash Compensation

In addition to reimbursement of training and educational meeting costs, the Firm and its Advisory Representatives may receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, and Alternative Investment Products, as permitted by regulatory rules. Additionally, sales of any mutual funds, variable insurance products and Alternative Investment Products, whether or not they are those of Strategic Partners, can qualify Advisory Representatives for additional business support and for attendance at seminars, conferences and entertainment events. From time to time, non-Strategic Partners attend Firm sponsored meetings for a fee.

ITEM 15 - CUSTODY

Although the Firm's advisory accounts are held by a qualified custodian, the Firm is deemed to have custody of client funds because it has the ability to direct such custodians to deduct advisory fees from the client's account. In addition, Triad engages in certain asset transmittal practices such that we are deemed to have custody of such assets. Triad is deemed to have limited custody of your assets because some client accounts have standing letters of authorization or other similar asset transfer authorization agreement ("SLOAs") and give us the authority to transfer funds to a third party.

On at least a quarterly basis, you will receive statements from the qualified custodian. We urge you to carefully review your statements provided by the qualified custodian and if you receive performance reports from your Advisory Representative, we urge you to carefully review the performance report and compare them with the statements provided by the qualified custodian. You should promptly notify us or your Advisory Representative upon discovery of any errors, discrepancies, or irregularities.

ITEM 16 - INVESTMENT DISCRETION

We manage your accounts on either a discretionary or non-discretionary basis. We will only manage your account on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

We give advice and take action in the performance of our duties to you, which differs from advice given, or the timing and nature of action taken, with respect to our clients' accounts.

ITEM 17 - VOTING CLIENT SECURITIES

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account (other than the specific Wealth Management Platform – Unified Managed Accounts Program portfolios described in our wrap program brochure). Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we receive to you. Please contact us at any time with questions you have regarding proxy solicitations.

In addition, we do not take any action or render any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits or bankruptcy proceedings. However, we will forward you any information we receive regarding class action legal matters involving any security held in your account.

ITEM 18 - FINANCIAL INFORMATION

We do not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are well capitalized and in full compliance with applicable regulations and do not foresee any financial conditions that will impair our fulfillment of reasonable obligations or contractual commitments to you.