

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**



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PRIVATE CLIENT, LLC

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May 12, 2021

This brochure provides information about the qualifications and business practices of Riley Private Client LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at (817) 870-4680. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

**ADDITIONAL INFORMATION ABOUT RILEY PRIVATE CLIENT LLC (CRD  
#310313) IS AVAILABLE ON THE SEC'S WEBSITE AT  
[WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV)**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

Since the last update of this brochure on March 2, 2021 the following changes have occurred:

- Assets under management have been updated in Item 4
  - The firm is now seeking SEC registration
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

## Item 3: Table of Contents

### Form ADV – Part 2A – Firm Brochure

#### Item 1: Cover Page

#### Item 2: Material Changes ..... ii

Annual Update ..... ii

Material Changes since the Last Update..... ii

Full Brochure Available..... ii

#### Item 3: Table of Contents..... iii

#### Item 4: Advisory Business ..... 1

Firm Description ..... 1

Types of Advisory Services ..... 1

Client Tailored Services and Client Imposed Restrictions..... 2

Wrap Fee Programs ..... 2

Client Assets under Management ..... 2

#### Item 5: Fees and Compensation ..... 3

Method of Compensation and Fee Schedule..... 3

Client Payment of Fees ..... 4

Additional Client Fees Charged..... 4

Prepayment of Client Fees ..... 4

External Compensation for the Sale of Securities to Clients..... 5

#### Item 6: Performance-Based Fees and Side-by-Side Management..... 5

Sharing of Capital Gains ..... 5

#### Item 7: Types of Clients..... 5

Description ..... 5

Account Minimums ..... 5

#### Item 8: Methods of Analysis, Investment Strategies and Risk of Loss ..... 5

Methods of Analysis..... 5

Investment Strategy ..... 6

Security Specific Material Risks..... 6

#### Item 9: Disciplinary Information..... 9

Criminal or Civil Actions ..... 9

Administrative Enforcement Proceedings ..... 9

Self- Regulatory Organization Enforcement Proceedings .....	9
<b>Item 10: Other Financial Industry Activities and Affiliations .....</b>	<b>9</b>
Broker-Dealer or Representative Registration .....	9
Futures or Commodity Registration .....	9
Material Relationships Maintained by this Advisory Business and Conflicts of Interest .....	10
Recommendations or Selections of Other Investment Advisors and Conflicts of Interest .....	10
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>10</b>
Code of Ethics Description .....	10
Investment Recommendations Involving a Material Financial Interest and Conflict of Interest .....	11
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest .....	11
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest .....	11
<b>Item 12: Brokerage Practices .....</b>	<b>11</b>
Factors Used to Select Broker-Dealers for Client Transactions .....	11
Aggregating Securities Transactions for Client Accounts .....	13
<b>Item 13: Review of Accounts .....</b>	<b>13</b>
Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved .....	13
Review of Client Accounts on Non-Periodic Basis .....	13
Content of Client Provided Reports and Frequency .....	13
<b>Item 14: Client Referrals and Other Compensation .....</b>	<b>13</b>
Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest .....	13
Advisory Firm Payments for Client Referrals .....	14
<b>Item 15: Custody .....</b>	<b>14</b>
Account Statements .....	14
<b>Item 16: Investment Discretion .....</b>	<b>15</b>
Discretionary Authority for Trading .....	15
<b>Item 17: Voting Client Securities .....</b>	<b>15</b>
Proxy Votes .....	15
<b>Item 18: Financial Information .....</b>	<b>16</b>
Balance Sheet .....	16

Financial Conditions Reasonably Likely to Impair Advisory Firm’s Ability to Meet Commitments to Clients.....	16
Bankruptcy Petitions during the Past Ten Years.....	16
<b>Brochure Supplement (Part 2B of Form ADV) .....</b>	<b>18</b>
Principal Executive Officer – William Eugene Riley Jr., ChFC®, CLU®, WMS .....	18
Item 2 - Educational Background and Business Experience .....	18
Item 3 - Disciplinary Information .....	19
Item 4 - Other Business Activities.....	20
Item 5 - Additional Compensation.....	20
Item 6 - Supervision .....	20

## Item 4: Advisory Business

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### Firm Description

Riley Private Client LLC ("RPC") was founded and began offering advisory services in 2020. William Eugene Riley Jr. is 100% owner.

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### Types of Advisory Services

#### ASSET MANAGEMENT

RPC offers comprehensive asset management services on a wrap fee basis described in Appendix A.

#### FINANCIAL PLANNING and CONSULTING for INDIVIDUALS, FAMILIES and BUSINESSES

A comprehensive evaluation of an investor's current and future financial state will be provided by using currently known variables to predict future cash flows, asset values and withdrawal plans. RPC will use current net worth, tax liabilities, asset allocation, and future retirement and estate plans in developing financial plans.

Typical topics reviewed in a financial plan may include but are not limited to:

- **Financial goals:** Based on an individual's or a family's clearly defined financial goals, including funding a college education for the children, buying a larger home, starting a business, retiring on time or leaving a legacy. Financial goals should be quantified and set to milestones for tracking.
- **Personal net worth statement:** A snapshot of assets and liabilities serves as a benchmark for measuring progress towards financial goals.
- **Cash flow analysis:** An income and spending plan determines how much can be set aside for debt repayment, savings and investing each month.
- **Retirement strategy:** A strategy for achieving retirement independent of other financial priorities. Including a strategy for accumulating the required retirement capital and its planned lifetime distribution.
- **Comprehensive risk management plan:** Identify all risk exposures and provide the necessary coverage to protect the family and its assets against financial loss. The risk management plan includes a full review of life and disability insurance, personal liability coverage, property and casualty coverage, and catastrophic coverage.
- **Long-term investment plan:** Include a customized asset allocation strategy based on specific investment objectives and a risk profile. This investment plan sets guidelines for selecting, buying and selling investments and establishing benchmarks for performance review.
- **Tax reduction strategy:** Identify ways to minimize taxes on personal income to the extent permissible by the tax code. The strategy should include identification of tax-favored investment vehicles that can reduce taxation of investment income.
- **Estate preservation:** Help update accounts, review beneficiaries for retirement accounts and life insurance, provide a second look at your current estate planning documents, and prompt you to update your plan when the legal environment changes or you have major life events such as a marriage, death, or births.

If a conflict of interest exists between the interests of RPC and the interests of the Client, the Client is under no obligation to act upon RPC's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through RPC. Financial plans for individuals will be completed and delivered

inside of 30 days and financial plans for businesses will be delivered within six months, both are contingent upon timely delivery of all required documentation.

### THIRD PARTY MANAGERS

When deemed appropriate for the Client, we may recommend that Clients utilize the services of a Third Party Manager (TPM) to manage a portion of, or your entire portfolio. All TPMs that we recommend must either be registered as investment advisers with the Securities and Exchange Commission or with the appropriate state authority(ies).

After gathering information about your financial situation and objectives, an investment advisor representative of our firm will make recommendations regarding the suitability of a TPM or investment style based on, but not limited to, your financial needs, investment goals, tolerance for risk, and investment objectives. Upon selection of a TPM(s), we will monitor the performance of the TPM(s) to ensure their performance and investment style remains aligned with your investment goals and objectives.

In such circumstances, RPC receives solicitor fees from the TPM. We act as the liaison between the Client and the TPM in return for an ongoing portion of the advisory fees charged by the TPM. We help the Client complete the necessary paperwork of the TPM, provides ongoing services to the Client. Ongoing services include but are not limited to:

1. Meet with the Client to discuss any changes in status, objectives, time horizon or suitability;
2. Update the TPM with any changes in Client status which is provided to RPC by the Client;
3. Review the statements provided by the TPM; and
4. Deliver the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPM to the Client.

RPC will provide the TPM with any changes in Client status as provided to us by the Client and review the quarterly statements provided by the TPM. RPC will deliver the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPM. Clients placed with TPM will be billed in accordance with the TPM's Fee Schedule which will be disclosed to the Client prior to signing an agreement. This is detailed in Item 10 of this brochure.

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### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written Client consent.

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### **Wrap Fee Programs**

RPC sponsors a wrap fee program, for details, see our Form ADV Part 2A, Appendix 1. A portion of the fees received by RPC are a result of services offered in our wrap program.

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### **Client Assets under Management**

As of May 7, 2021, RPC has \$108,000,000 in discretionary Client assets under management and \$0 non-discretionary Client assets under management.

## Item 5: Fees and Compensation

### Method of Compensation and Fee Schedule

#### ASSET MANAGEMENT

The fee schedule is disclosed in the Appendix, Item 4, of the Wrap Program Brochure.

#### FINANCIAL PLANNING and CONSULTING for INDIVIDUALS, FAMILIES and BUSINESSES

RPC charges fixed fee of \$2,500 to \$10,000 for individual financial planning. Prior to the planning process the Client will be provided an estimated plan fee. Services are completed and delivered inside of 30 days contingent upon timely delivery of all required documentation.

RPC charges a fixed fee between \$20,000 and \$50,000 for business financial planning. Prior to the planning process the Client will be provided an estimated plan fee. Services are completed and delivered inside of six months contingent upon timely delivery of all required documentation.

Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days any unpaid earned fees will be due to RPC. Fees will be determined based on the percentage of work completed on the plan until the time of cancellation. RPC reserves the right to waive the fee should the Client implement the plan through RPC.

#### THIRD PARTY MANAGERS

RPC may at times use the services of TPMs and receive a portion of the fee for referring Clients. The Client will not pay additional advisory fees to the TPM for these services. This is detailed in Item 10 of this brochure.

RPC has entered into a Solicitor Agreement with Gradient Investments, LLC ("GI"). GI is a Registered Investment Advisor registered with the Securities and Exchange Commission that provides investment portfolio advice and supervisory services.

GI offers an actively managed program of mutual fund and stock portfolios. The fee will be disclosed to the Client in the Investment Advisory Agreement and are negotiable. The Clients fee for these services will be based on a percentage of assets under management as follows:

Fee Schedule for: Strategic & Tactical Portfolios			
Assets Valuation	Maximum Annual Advisory Fee	Gradient Investments	RPC Retention
Up to \$1,000,000	2.00%	1.00%	1.00%
\$1,000,001 - \$2,000,000	1.65%	.80%	.85%
\$2,000,001 - \$3,000,000	1.20%	.60%	.60%
Over \$3,000,000	.95%	.45%	.50%

Fee Schedule for: Allocation Portfolios			
Assets Valuation	Maximum Annual Advisory Fee	Gradient Investments	RPC Retention
Up to \$1,000,000	1.70%	.70%	1.00%
\$1,000,001 - \$2,000,000	1.35%	.60%	.75%
\$2,000,001 - \$3,000,000	1.00%	.50%	.50%
Over \$3,000,000	.80%	.40%	.40%



Fee Schedule for: Preservation Portfolios			
Assets Valuation	Maximum Annual Advisory Fee	Gradient Investments	RPC Retention
All Assets	1.00%	.40%	.60%

Fee Schedule for: Client Directed Accounts			
Assets Valuation	Maximum Annual Advisory Fee*	Gradient Investments	RPC Retention
All Values	.60%	.30%	.30%

\*The minimum quarterly fee billed will be \$25

For Client Directed Accounts, GI will assist in the opening, closing and transferring of accounts. GI will provide institutional and 3rd party reports on securities held in the account and investment analysis via email or via phone when requested. GI will liquidate and purchase securities per the client's request. GI will also provide administrative services per the client's written request such as: ACH, check writing, RMD servicing. GI will provide consolidated household performance reporting on these accounts which are combined with any GI managed accounts.

The above fees are negotiable. Fees are assessed quarterly in arrears based on the amount of the assets managed as of the end of the previous quarter. All management fees are withdrawn from the Client's account unless otherwise noted. GI will receive written authorization from the Client to deduct advisory fees from their account held by a qualified custodian. GI will pay RPC their share of the fees. RPC does not have access to deduct Client fees. Clients may terminate their account within five (5) business days of signing the investment advisory agreement without penalty or obligation. For terminations after the initial five business days, GI will be entitled to a pro-rata fee for the days service was provided in the final quarter. GI will pay RPC their portion of the final fee.

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### Client Payment of Fees

For client utilizing the wrap program, fees for asset management services are deducted from a designated Client account to facilitate billing or they may pay RPC directly. Please see Wrap Brochure for more details. The Client must consent in advance to direct debiting of their investment account.

Fees for financial plans will be billed to the Client and paid directly to RPC.

Fees for asset management services provided by TPM are deducted from a designated Client account by TPM to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

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### Additional Client Fees Charged

Custodians may charge brokerage commissions, transaction fees, and other related costs on the purchases or sales of mutual funds, equities, bonds, options, margin interest and exchange-traded funds. Mutual funds, money market funds and exchange-traded funds also charge internal management fees, which are disclosed in the fund's prospectus. RPC does not receive any compensation from these fees. All of these fees are in addition to the management fee you pay to RPC. For more details on the brokerage practices, see Item 12 of this brochure.

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### Prepayment of Client Fees

RPC does not require any prepayment of fees of more than \$1,200 per Client and six months or more in advance.

For clients utilizing the wrap program, investment management fees are billed monthly in advance.

If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to RPC.

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**External Compensation for the Sale of Securities to Clients**

Investment Advisor Representatives of RPC receive external compensation for the sale of securities to clients as an investment advisor representative of Riley Wealth Advisors, LLC, a registered investment advisor and as a licensed insurance agent.

This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As registered representatives or insurance agent, they do not charge advisory fees for the services offered through Riley Wealth Advisors, LLC. This conflict is mitigated by disclosures, procedures, and RPC's fiduciary obligation to place the best interest of the Client first and Clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative or insurance agent of their choosing.

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**Item 6: Performance-Based Fees and Side-by-Side Management****Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

RPC does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for RPC to recommend an investment that may carry a higher degree of risk to the Client.

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**Item 7: Types of Clients****Description**

RPC generally provides investment advice to high net worth individuals or business entities.

Client relationships vary in scope and length of service.

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**Account Minimums**

RPC requires a minimum of \$500,000 to open an account. In certain instances, the minimum account size may be lowered or waived.

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

Security analysis methods may include fundamental analysis, technical analysis, charting, and cyclical analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

TPMs utilized by RPC may use various methods of analysis to determine the proper strategy for the client referred and these will be disclosed in the TPM's Form ADV Part 2. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns. Other strategies utilized by TPMs may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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### **Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to RPC. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

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### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with RPC:

- *Market Risk:* The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Investment Companies Risk:* When a client invests in open end mutual funds or ETFs, the client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which

are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which client invests.

- *Derivatives Risk:* Funds in a client's portfolio may use derivative instruments. The value of these derivative instruments derives from the value of an underlying asset, currency or index. Investments by a fund in such underlying funds may involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that an underlying fund may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.
- *Foreign Securities Risk:* Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intension of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a "book-entry" only investment without a paper certificate of ownership.
- *Trading on Margin:* In a cash account, the risk is limited to the amount of money that has been invested. In a margin account, risk includes the amount of money invested

plus the amount that has been loaned. As market conditions fluctuate, the value of marginable securities will also fluctuate, causing a change in the overall account balance and debt ratio. As a result, if the value of the securities held in a margin account depreciates, the client will be required to deposit additional cash or make full payment of the margin loan to bring account back up to maintenance levels. Clients who cannot comply with such a margin call may be sold out or bought in by the brokerage firm.

- *Hedged Equity Strategies:* Hedging is a risk management strategy to offset losses by taking an opposite position in a related asset. The reduction in risk provided by hedging also typically results in a reduction in potential profits.
- *Managed Futures:* The risks associated with managed futures strategies include returns that may be biased upwards due to the voluntary nature of self-reporting of performance. Lack of natural measuring stick or benchmark for performance rating and the potential for higher fees.

The risks associated with utilizing TPM's include:

- Manager Risk
  - TPM fails to execute the stated investment strategy
- Business Risk
  - TPM has financial or regulatory problems
- The specific risks associated with the portfolios of the TPM's which is disclosed in the TPM's Form ADV Part 2.

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## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

RPC and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

RPC and its management have not been involved in administrative enforcement proceedings.

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### **Self-Regulatory Organization Enforcement Proceedings**

RPC and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of RPC or the integrity of its management.

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

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### **Broker-Dealer or Representative Registration**

RPC is not registered as a broker-dealer and no affiliated representatives of RPC are registered representatives of a broker-dealer.

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### **Futures or Commodity Registration**

Neither RPC nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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**Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

William Eugene Riley Jr. has a financial affiliated business as an insurance agent and investment advisor representative with Riley Wealth Advisors, LLC. Approximately 50% of his time is spent on these activities. He will offer Clients services from those activities. As an insurance agent or investment advisor representative, he may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the compensation received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another insurance agent or investment advisor representative of their choosing.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Clients placed with TPM will be billed in accordance with the TPM's fee schedule which will be disclosed to the Client prior to signing an agreement. When referring Clients to a TPM, the Client's best interest will be the main determining factor of RPC. RPC ensures that before selecting other advisors for Client that the other advisors are properly licensed or registered as an investment advisor.

These practices represent conflicts of interest because RPC is paid a Solicitor Fee for recommending the TPM and may choose to recommend a particular TPM based on the fee RPC is to receive. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to act in the best interest of his Clients. Clients are not required to accept any recommendation of TPM given by RPC and have the option to receive investment advice through other money managers of their choosing.

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

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**Code of Ethics Description**

The affiliated persons (affiliated persons include employees and/or independent contractors) of RPC have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of RPC affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of RPC. The Code reflects RPC and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

RPC's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of RPC may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

RPC's Code is based on the guiding principle that the interests of the Client are our top priority. RPC's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

RPC will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

RPC and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

RPC and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide RPC with copies of their brokerage statements.

The Chief Compliance Officer of RPC is William Eugene Riley Jr. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

RPC does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide RPC with copies of their brokerage statements.

The Chief Compliance Officer of RPC is William Eugene Riley Jr. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Broker-Dealers for Client Transactions**

RPC recommends the use of a particular broker-dealer TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., Member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member or may utilize a broker-dealer of the



Client's choosing. RPC will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. RPC relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by RPC.

RPC participates in the TD Ameritrade Institutional program. TD Ameritrade is an independent SEC-registered broker-dealer and is not affiliated with RPC. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. RPC receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14)

Any TD Ameritrade account maintained on the Institutional platform that is under transactional based pricing is subject to the same zero commissions as retail clients.

Although TD Ameritrade recently reduced their online equity trade commissions to zero, it only applies to U.S. exchange listed stocks, ETFs and options trades. TD Ameritrade still charges a per contact fee (\$0.65) and transaction fees for Mutual Funds which could be charged the advisor's sundry account should they choose to remain in the Wrap Fee program.

- *Directed Brokerage*

In circumstances where a Client directs RPC to use a certain broker-dealer, RPC still has a fiduciary duty to its Clients. The following may apply with Directed Brokerage: RPC's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among Clients and conflicts of interest arising from brokerage firm referrals. The firm may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

- *Brokerage for Client Referrals*

RPC does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

- *Best Execution*

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. RPC does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by RPC from or through a broker-dealer in exchange for directing Client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, RPC receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of

RPC. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when RPC receives soft dollars. This conflict is mitigated by the fact that RPC has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

RPC utilizes the services of custodial broker dealers. Economic benefits are received by RPC which would not be received if RPC did not give investment advice to Clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to RPC's accounts, ability to conduct "block" Client trades, electronic download of trades, balances and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

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### **Aggregating Securities Transactions for Client Accounts**

RPC is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of RPC. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

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

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### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by the Chief Compliance Officer of RPC. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target bans of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

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### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

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### **Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than monthly for managed accounts. Account statements are issued by RPC's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. Performance reports will be provided by RPC at least quarterly to Clients with assets under management, exclusive of Assets Held Away.

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

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### **Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

RPC receives a portion of the annual management fees collected by the TPM(s) to whom RPC refers Clients.

This situation creates a conflict of interest because RPC and/or its Investment Advisor Representative have an incentive to decide what TPMs to use because of the higher

solicitor fees to be received by RPC. However, when referring Clients to a TPM, the Client's best interest will be the main determining factor of RPC.

As disclosed under Item 12 above, RPC participates in TD Ameritrade's institutional customer program and RPC may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between RPC's participation in the program and the investment advice it gives to its Clients, although RPC receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving RPC participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to RPC by third party vendors.

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

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**Advisory Firm Payments for Client Referrals**

RPC does not compensate for Client referrals.

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**Item 15: Custody**

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by RPC.

RPC is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of RPC.

RPC is also deemed to have limited custody due to its Third-Party Standing Letters of Authorization ("SLOA").

RPC and its qualified custodian meet the following seven (7) conditions in order to avoid maintaining full custody and be subject to the surprise exam requirement:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The Client authorizes RPC, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. RPC has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. RPC maintains records showing that the third party is not a related party nor located at the same address as RPC.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

For clients utilizing the wrap program, RPC requires discretionary authority to manage securities accounts on behalf of Clients. RPC has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

RPC allows Client's to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to RPC in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. RPC does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

RPC does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, RPC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because RPC does not serve as a custodian for Client funds or securities and RPC does not require prepayment of fees of more than \$1,200 per Client and six months or more in advance.

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### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

RPC has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

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### **Bankruptcy Petitions during the Past Ten Years**

RPC has not had any bankruptcy petitions in the last ten years.

Item 1 Cover Page

**SUPERVISED PERSON BROCHURE**  
FORM ADV PART 2B

William Eugene Riley Jr., ChFC®, CLU®, WMS



**RILEY**  
PRIVATE CLIENT, LLC

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Southlake, TX 76092

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

May 12, 2021

This brochure supplement provides information about William Eugene Riley Jr. and supplements the Riley Private Client LLC brochure. You should have received a copy of that brochure. Please contact William Eugene Riley Jr. if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about William Eugene Riley Jr. (CRD #1493287) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure

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**Principal Executive Officer – William Eugene Riley Jr., ChFC®, CLU®, WMS**

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- Year of birth: 1948
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#### **Item 2 - Educational Background and Business Experience**

##### **Educational Background:**

- Texas Christian University; Bachelor of Business Administration; 1971
- Summerset University; Master of Business Administration; 2006

##### **Professional Certifications**

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Bill Riley has earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Consultant® (ChFC®): Chartered Financial Consultant (ChFC®) is a designation issued by the American College. ChFC® designation requirements:

- Complete ChFC® coursework within five years from the date of initial enrollment.
- Pass the exams for all required elective courses. A minimum score of 70% must be achieved to pass.
- Meet the experience requirements: Three years of full-time business experience within the five years preceding the date of the award. An undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience.
- Take the Professional Ethics Pledge.
- When you achieve your ChFC® designation, you must earn 30 hours of continuing education credit every two years.

Chartered Life Underwriter (CLU®): Chartered Life Underwriter is a designation granted by the American College. CLU® designation requirements:

- Successfully complete CLU® coursework: five required and three elective courses.
- Meet the experience requirements: Three years of business experience immediately preceding the date of the use of the designation are required. An undergraduate or graduate degree from an accredited education institution qualifies as one year of business experience.
- Take the Professional Ethics Pledge.
- When you achieve the CLU® designation, you must complete 30 hours of continuing education credit every two years.

Wealth Management Specialist (WMS): Wealth Management Specialist (WMS) is a designation issued by Kaplan University. WMS designation requirements:

- Complete 13 online courses.
- After each course, complete a corresponding online multiple-choice review quiz.
- After completing the final course, pass a 60-question final exam with a 70% or higher.
- Continuing Education: All WMS designation holders will be responsible for completing 20 hours of Continuing Education credits every two years.

**Business Experience:**

08/2020 – Present	Investment Advisor Representative/Chief Compliance Officer Riley Private Client LLC
01/2008 – Present	Investment Advisor Representative Riley Wealth Advisors, LLC
2007 – Present	CEO Riley Wealth Advisors, LLC
1977 – Present	Insurance Agent Bill Riley, Sole Proprietor
01/2008 – 07/2018	Registered Representative Oak Securities, Incorporated
04/2016 – 12/2016	Registered Representative Concert Wealth Management
03/2002 – 01/2008	Registered Representative Raymond James & Associates, Inc.
03/2002 – 01/2007	Branch Manager Raymond James & Associates, Inc.

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**Item 3 - Disciplinary Information**

- A. William Eugene Riley Jr. has never been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction for which he:
1. Was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) misdemeanor that involved investments or an investment-related business, fraud, false statement or omissions, wrongful taking of property, bribery, perjury, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. Was found to have been involved in a violation of an investment-related statute or regulation; or
  4. Was the subject of any order, judgement or decree permanently or temporarily enjoining, or otherwise limiting, him from engaging in any investment related activity, or from violating any investment-related statute, rule, or order.
- B. William Eugene Riley Jr. never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he:
1. Was found to have caused an investment-related business to lose its authorization to do business; or the subject of an order by the agency or authority;



2. Was found to have been involved in a violation of an investment-related statute or regulation or was the subject of an order by the agency or authority  
(a) denying, suspending or revoking the authorization of the supervised person to act in an investment-related business; (b) barring or suspending his association with an investment-related business; (c) otherwise significantly limiting his investment-related activities; or (d) imposing a civil money penalty of more than \$2,500 on him.
  - C. William Eugene Riley Jr. has never been the subject of a self-regulatory organization (SRO) proceeding in which he:
    1. Was found to have caused an investment-related business to lose its authorization to do business; or
    2. Was found to have been involved in a violation of the SRO's rules and was: (a) barred or suspended from membership or from association with other members, or was expelled from membership; (b) otherwise significantly limited from investment-related activities; or (c) fined more than \$2,500.
  - D. William Eugene Riley Jr. has not been involved in any other hearing or formal adjudication in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct.
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#### **Item 4 - Other Business Activities**

William Eugene Riley Jr. has a financial affiliated business as an insurance agent and investment advisor representative with Riley Wealth Advisors, LLC. Approximately 50% of his time is spent on these activities. He will offer Clients services from those activities. As an insurance agent or investment advisor representative, he may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the compensation received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another insurance agent or investment advisor representative of their choosing.

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#### **Item 5 - Additional Compensation**

William Eugene Riley Jr. receives commissions on the insurance he sells. He does not receive any performance-based fees.

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#### **Item 6 - Supervision**

Since William Eugene Riley Jr. is the sole owner and investment adviser representative of RPC he is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual. He can be reached at (817) 870-4680 or William.riley@rileyprivateclient.com.