

# Wrap Fee Program Brochure

(PART 2A APPENDIX OF FORM ADV)



# RILEY

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This wrap 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 757-424-8906 or by email at [William.riley@rileyprivateclient.com](mailto:William.riley@rileyprivateclient.com). 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 (IARD #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:

- The firm is now seeking SEC registration

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## Item 4: Services, Fees and Compensation

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### Firm Description

Riley Private Client LLC (“RPC,” “we,” “our,” or “us”) is an investment advisor registered with the State of Texas. RPC offers investment advice to clients through the Wrap Fee Program (“Program”) based on the individual needs of the client. RPC is the sponsor of the Program. William Eugene Riley Jr. is 100% owner of the RPC and responsible for management of the Program accounts.

This disclosure brochure is limited to describing the Program and other information that client should consider prior to establishing an account in the Program. For a complete description of other programs and services offered by RPC, clients should refer to RPC’s Form ADV Part 2A, a copy of which will be provided by RPC to client upon request.

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### Program Services

RPC provides continuous and regular supervisory services on a discretionary basis. We have an ongoing responsibility to select and make recommendations based upon the stated objectives, risk tolerance and time horizons of the client. RPC specializes in the design of portfolios using exchange traded funds (ETF), mutual funds, fixed income assets, closed-end funds, unit investment trusts, options, and cash in managing client accounts. Through interview and/or questionnaire we assist the client in determining their risk tolerance within given time horizons. A single account may be comprised of multiple managers with varying levels of risk, which are based on client stated objectives and risk profile within time horizons.

Through a multiple step discovery process, RPC obtains the necessary financial data from the client and assists the client in setting appropriate investment objectives for the Program account. RPC obtains updated information from the client during regularly scheduled client performance reviews, as necessary in order to provide personalized investment advice to the client.

Client will be required to enter into a written agreement with RPC in order to establish a Program account. Client will also be required to complete an application with the broker/dealer that will act as custodian for Program account assets.

A Wrap Fee Program is an investment advisory program in which you pay one fee for both investment advisory services and the transaction costs in your account. Your fee is bundled with our costs for executing transactions in your account(s). This may result in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee may be charged, but trade execution costs are passed directly through to you by the executing broker.

The Program Fee is not based directly upon the actual transaction or execution costs for the transactions within your account. Depending on the underlying investments in your Program and how much trading activity occurs, you may pay more or less than if you chose another advisory program that does not have a wrap fee, or if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all transaction charges). RPC offers both a Wrap Fee Program and a Non-Wrap Fee Program, therefore we will review

your investment options with you to determine the best offering for you. Similar services to those offered in the Program may be purchased from another unaffiliated financial services provider.

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**Program Fees**

The annual investment advisory fee ("Annual Fee") schedule for the Program is described below: RPC offers discretionary direct asset management services to advisory clients. Fees for these services will be based on a percentage of Assets Under Management at a rate of no more than 1.25% annually.

The annual Fee is negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed monthly in advance based on the amount of assets managed as of the close of business on the last business day of previous month. If margin is utilized, the fees will be billed based on the gross asset value of the account. Accounts opened during a month will be billed a pro-rated amount from the day assets are received to the end of the current month. Monthly advisory fees will be deducted from the clients' account by the custodian. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. After the initial 5 business days, the agreement may be terminated by RPC with thirty (30) days written notice to Client and by the Client at any time with written notice to RPC. If cancellation occurs after five (5) business days, client will be entitled to a pro rata refund for the days of service that was not provided in the final month.

After five business days, either party may terminate advisory services with thirty (30) days written notice to the other party. The client will be entitled to a pro rata refund for the days of service that was not provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

From time to time, RPC may also utilize the services of a sub-adviser to manage clients' investment portfolios. RPC will enter into sub-advisor agreements with other registered investment advisor firms. When using sub-advisors, the client will not pay additional fees. The sub-advisor's fees are included in the fees charged by RPC.

Additional deposits and withdrawals will be added or subtracted from account assets, as the case may be, which may lead to an adjustment of the Annual Fee. All Annual Fees are deducted from the account by the custodian unless other arrangements have been made in writing. The Annual Fee is paid to and retained by RPC and the advisory representatives.

In addition to the Annual Fee, client may also incur certain charges imposed by third parties in connection with investments made through Program accounts, including those imposed by the custodian. These may include, but are not limited to, the following: mutual fund or money market 12b-1 fees, sub-transfer agent fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, managed futures investor servicing fees, and other charges required by law. RPC does not receive any portion of these fees. Further information regarding charges and fees assessed by a mutual fund or variable annuity are available in the appropriate prospectus.

Mutual funds may also charge a redemption fee if a redemption is made within a specific time period following the investment. The terms of any redemption fee are disclosed in the fund's prospectus. Transactions in mutual fund shares (e.g., for rebalancing, liquidations, deposits or tax harvesting) may be subject to a fund's frequent trading policy.

Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the account value decreases.

Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded. As an investment philosophy, RPC practices a nimble trading strategy that seeks to grow client assets in up trends and protect principal during down trends.

## **Item 5: Account Requirements and Types of Clients**

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### **Account Minimum**

RPC requires a minimum of \$500,000 to open an account, but the firm does have the discretion to accept accounts with less assets. Minimum size accounts are accepted as an accommodation to clients with multiple accounts, and/or for those making regular additions to their account(s).

### **Types of Clients**

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

## **Item 6: Portfolio Manager Selection and Evaluation**

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### **Portfolio Manager**

We are both the sponsor and portfolio manager of the wrap fee program.

When deemed appropriate for the client, RPC may hire Sub-Advisors offered on SMARtX Advisory Solutions LLC ("SMARTX") platform to manage all or a portion of the assets in the client account. Sub-advisors and/or money manager(s) will maintain the models or investment strategies agreed upon between Sub-advisor and RPC. By entering into the investment advisory agreement with RPC, client gives Sub-advisor and money manager(s) discretionary authority to execute trades on behalf of RPC in client accounts (as applicable). RPC will be responsible for the overall direct relationship with the client. RPC has full authority to hire and fire sub-advisors and/or money managers at RPC's discretion.

SMARTX will remove and recommend the replacement of a Platform portfolio manager for the following reasons:

- Regulatory issues
- Significant personnel departures
- Significant departure from the strategy's investment mandate

- Persistent underperformance against an objective comparable benchmark
- Closing of an investment strategy to new accounts for an indefinite time period
- Persistent operational integrity issues
- Persistent operational protocol difficulties not remedied
- Discontinuance of composite performance reporting
- Other significant issues as SMARTX becomes aware

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## **Conflicts of Interest**

Investment Advisor Representatives of RPC will manage Program accounts. Clients make the decision to select RPC as their portfolio manager.

In general, all investment advisor representatives of RPC that manage portfolios on behalf of RPC are required to have a college degree and/or a professional designation and/or five (5) years of equivalent industry experience. In addition, all advisory representatives must have obtained all required licenses or a professional designation.

Each individual will be reviewed and considered on a case-by-case basis by an executive member of RPC. RPC requires that individuals be honest, possess high morals, adhere to established ethical standards, be committed to continuous industry learning, provide high quality investment advice, and always place the clients' best interest first. Additionally, advisory representatives will be required to pass regulatory examinations and obtain any required licenses, and are encouraged to earn professional designations.

Since all assets managed by RPC under this wrap program, and there is no additional charge to the client for using sub-advisors, therefore there is no conflict of interest.

In establishing a Program account, client elects to appoint TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., Member FINRA/SIPC as the sole and exclusive broker/dealer and custodian with respect to processing securities transactions for the Program account. RPC does not maintain custody of client assets.

Securities transactions for Program account are effected without commissions being charged to client. While RPC makes every attempt to obtain the best execution possible, there is no assurance that it will be obtained. Clients should consider whether or not the appointment of TD Ameritrade as the sole broker/dealer and custodian may or may not result in certain costs or disadvantages to the client as a result of possibly less favorable executions. In considering whether or not to restrict the execution of transactions through TD Ameritrade considered the capabilities of TD Ameritrade.

Although client will not be charged a transaction charge for transactions through TD Ameritrade, client should be aware that RPC will be required to pay transaction charges to TD Ameritrade. The transaction charges borne by RPC vary based on the type of transactions (e.g., mutual fund, equity or fixed income security) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or sub-transfer agent fees that are retained by the custodian in amounts sufficient to cover the majority of trading costs. Client should understand that the cost to RPC of transaction charges may be a factor RPC considers when deciding which securities to select and whether or not to place transactions in a Program account.

No agency-cross transactions or principal transactions are effected by RPC in Program accounts.

RPC may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

RPC participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. 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.

As disclosed 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 potential conflict of interest and may indirectly influence the RPC's choice of TD Ameritrade for custody and brokerage services.

The Program may cost the client more or less than purchasing Program services separately. Factors that bear upon the cost of the Program account in relation to the cost of the same services purchased separately include: the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

The Annual Fee is an ongoing fee for investment advisory services and may cost the client more than if the assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and

hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a Program account.

RPC receives compensation as a result of the client's participation in the Program. The amount of this compensation may be more or less than what RPC would receive if the client participated in other programs or paid separately for investment advice, brokerage and other client services. Therefore, RPC may have a financial incentive to recommend the Program account over other programs and services. RPC acts as the portfolio manager for the Program and retains the management fee less execution costs. This may create a conflict of interest because RPC may have a disincentive to trade securities in the account to keep the execution costs low therefore retaining a larger portion of the management fee.

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### **Advisory Business**

RPC offers clients an asset management account through the Program in which RPC directs and manages Program assets for client.

Client provided goals and objectives are documented in individual client files. Investment strategies are created that reflect the stated goals and objective.

A client may impose restrictions on a minimum level of cash they want in their account, as well as from which account they want their withdrawals to come. Also, a client may issue restrictions on what specific securities or security types they do not want RPC to buy or sell in their account.

RPC also offers business consulting

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### **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 potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis, technical analysis, 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 involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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### **General 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. Each client

executes an Investment Policy Statement or Risk Tolerance 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. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

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.

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### Proxy Voting

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 7: Client Information Provided to Portfolio Managers

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### Description

RPC obtains the necessary financial data from the client and assists the client in setting appropriate investment objectives for the Program account. RPC obtains updated information from the client as necessary in order to provide personalized investment advice to the client. It is the client's responsibility to inform RPC of any changes in their stated objectives, financial situation, life circumstances or risk tolerance.

Client will be required to enter into a written agreement with RPC in order to establish a Program account. Client will also be required to complete an application with the broker/dealer that will act as custodian for Program account assets.

## Item 8: Client Contact with Portfolio Managers

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### Restrictions

There are no restrictions placed on clients' ability to contact and consult with the portfolio manager since the Investment Advisor Representatives of RPC are the portfolio managers.

## Item 9: Additional Information

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### Disciplinary Information

#### Criminal or Civil Actions

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

#### Administrative Enforcement Proceedings

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

#### Self Regulatory Organization Enforcement Proceedings

RPC and its management have not been involved in legal or disciplinary events related to past or present investment clients.

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### Other Financial Industry Activities and Affiliations

#### Broker-Dealer or Representative Registration

Neither RPC nor any of its employees are registered representatives of a broker-dealer.

#### Futures or Commodity Registration

RPC does not have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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

Managing Member William Eugene Riley Jr. principal business is as an insurance agent. From time to time, he will offer clients advice or products from those activities.

These practices represent conflicts of interest because it gives William Eugene Riley Jr. an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

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

From time to time, RPC may also utilize the services of a sub-advisor to manage clients' investment portfolios. Sub-advisors will maintain the models or investment strategies agreed upon between Sub-advisor and RPC. Sub-advisors execute all trades on behalf of RPC in client accounts. RPC will be responsible for the overall direct relationship with the client. RPC retains the authority to terminate the Sub-advisor relationship at RPC's discretion.

RPC is a Registered Investment Advisor which offers investment management on a discretionary basis.

In addition to the authority granted to RPC under the Agreement, Client hereby grants RPC full discretionary authority and authorizes RPC to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such advisory services will be as determined by RPC. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to RPC in the Agreement. In

addition, as RPC's discretion, RPC may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors.

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**Code of Ethics Description**

The employees and 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 employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees and independent contractors of RPC. The Code reflects RPC and its supervised persons' responsibility to act in the best interest of their client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees 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 employee, 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 employees 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 employees or the company.

The Code applies to "access" persons. "Access" persons are employees 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.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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

RPC and its employees do not recommend to clients securities in which we have a material financial interest.

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

RPC employees may buy or sell securities that are also held by clients. In order to avoid conflicts of interest such as front running of client trades, employees 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 employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

## 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, employees 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, employees are required to disclose all reportable securities transactions as well as provide RPC with copies of their brokerage statements.

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## **Review of Accounts**

### Schedule for Periodic Review of Client Accounts and Advisory Persons Involved

Account reviews are performed at least quarterly depending on the nature of the account and client relationship. All reviews are conducted by Investment Advisor Representatives of RPC. Account reviews are performed more frequently when market conditions dictate.

### 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.

### Content of Client Provided Reports and Frequency

Clients receive written account statements no less than monthly for accounts managed and are issued by the custodian. Account statements are issued by the 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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## **Client Referrals and Other Compensation**

### Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest

As disclosed 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.

Advisory Firm Payments for Client Referrals

RPC does compensate for client referrals.

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**Financial Information**

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 \$500 per client and six months or more in advance.

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.

Bankruptcy Petitions during the Past Ten Years

Neither RPC nor its management has 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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Toll Free: (888) 870-4680  
Fax: (817) 870-1995

Email: [William.riley@rileyprivateclient.com](mailto:William.riley@rileyprivateclient.com)

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. Being registered as a registered investment adviser does not imply a certain level of skill or training. 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**

- 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:**

07/2020 – 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
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](mailto:William.riley@rileyprivateclient.com).