

## **Legal Advantage Investments, Inc.**

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**March 17, 2022**

### **FORM ADV PART 2A BROCHURE**

This Brochure provides information about the qualifications and business practices of Legal Advantage Investments, Inc. If you have any questions about the contents of this Brochure, please contact us at the phone number listed above. 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 our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Legal Advantage Investments, Inc. is 118131.

Legal Advantage Investments, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 12, 2021, we have the following material changes to report:

- We have amended our disclosure brochure to include the following acknowledgement of fiduciary status as required by a recently adopted Department of Labor rule:
  - When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must i) meet a professional standard of care when making investment recommendations (give prudent advice); ii) never put our financial interests ahead of yours when making recommendations (give loyal advice); iii) avoid misleading statements about conflicts of interest, fees, and investments; iv) follow policies and procedures designed to ensure that we give advice that we reasonably believe is in your best interest; v) charge no more than is reasonable for our services; and, vi) give you basic information about conflicts of interest. We benefit financially from the rollover of your assets from a retirement account on which we do not currently charge an advisory fee to an account that we manage or provide investment advice for compensation, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

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## Item 4 Advisory Business

### Description of Services

Legal Advantage Investments, Inc. is a registered investment adviser based in Los Altos Hills, California. We are organized as a corporation under the laws of the State of California. We have been providing investment advisory services since 1993. David Spector is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Continuous Portfolio Management Services**
- **Periodic Management and Investment Recommendation Services**
- **Financial Planning Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words "we", "our" and "us" refer to Legal Advantage Investments, Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. The use of these terms is not intended to imply that there is more than one individual associated with this firm providing investment advice to clients. At this time, David Spector is the sole member of our firm providing investment advice to clients.

### Continuous Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you in person or by telephone/videoconference to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a target asset allocation for your accounts under management and a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf that we believe are in your best interests. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance and will adjust the portfolio as we believe appropriate based upon our investment research, changes in economic or market conditions, and changes you have informed us of in your financial circumstances.

As part of our portfolio management services, you select one of the following growth strategy models for our management of the stock portion of your account(s):

The *Legal Advantage Hedge Strategy* may establish both long and short positions in individual stocks. These positions may be held as long-term investments or as short-term trades, as we see fit. Accounts managed pursuant to this strategy may not be highly diversified and may also engage in margin transactions. If you select this strategy, you may also provide written instructions authorizing us to purchase or sell options on individual equity securities and/or market indices for your account. Accounts managed under this strategy may also hold cash reserves, invest in fixed income instruments, and in closed-end or open-end mutual funds and/or exchange-traded funds (ETFs). While we intend that the short positions will to some extent hedge the market risk inherent in the long positions, the Legal Advantage Hedge Strategy should be considered our highest risk strategy.

The *Legal Advantage Growth Strategy* may establish long positions in individual stocks similar to those in the Legal Advantage Hedge Strategy, but will not engage in short sales, purchases on margin, or trading in options. No single position shall account for more than fifteen percent (15%) of an account's

assets at the time of purchase. Accounts managed under this strategy may also hold cash reserves, invest in fixed income instruments, and in closed-end or open-end mutual funds and/or exchange-traded funds (ETFs).

The *Legal Advantage Growth and Income Strategy* may establish long positions in individual stocks with a principal goal of capital appreciation and a secondary goal of producing some current income. Accounts managed under this strategy will not engage in short sales, purchases on margin, or trading in options. No single position shall account for more than fifteen percent (15%) of an account's assets at the time of purchase. Of the portion of such accounts invested in stocks (as opposed to cash, mutual funds, or fixed income instruments) at least thirty percent (30%) shall be invested in stocks paying at least some regular dividend. Accounts managed under this strategy may also hold cash reserves, invest in fixed income instruments, and in closed-end or open-end mutual funds and/or exchange-traded funds (ETFs).

For clients who prefer to invest in funds rather than directly in individual stocks or bonds, we offer *Managed Fund Portfolios and/or ESG Managed Fund Portfolios*, which make new investments solely in either open-end mutual funds, closed-end mutual funds, exchange-traded funds (ETFs), or a combination thereof. Funds will be selected to create an overall portfolio designed to meet your investment goals based upon discussion with you or more detailed financial planning work, for which there will generally be a separate fee charged. *Managed Fund Portfolios and/or ESG Managed Fund Portfolios* may also hold cash reserves, but will not generally invest in individual stocks or bonds (although such securities in the account at the time it is transferred to our management may remain in the account at our discretion).

As part of our investment process, we consider many factors including the possible impact of known environmental, social, and governance ("ESG") company policies on their business outlook. For clients who prefer to exclude certain investments from their portfolios based on ESG factors alone, we offer *ESG Managed Fund Portfolios*. These portfolios are similar to our other Managed Mutual Fund Portfolios, except that they will only make new investments in funds that self-identify as ESG funds. ESG practices can include, but are not limited to, strategies that select companies based on their stated commitment to one or more ESG factors; for example, companies with policies aimed at minimizing their negative impact on the environment, social issues, or companies that focus on governance principles and transparency. ESG practices may also entail screening out companies in certain sectors or that, in the view of the fund manager, demonstrate poor management of ESG risks and opportunities or are involved in issues that are contrary to the fund's own principles. Like with our other mutual fund portfolios, we will customize an asset allocation of such funds for you designed to best meet your investment goals given the investment restrictions imposed. It is possible that limiting a portfolio to ESG funds may result in a less diversified portfolio and lower long-term investment returns than a fund portfolio we would otherwise recommend without such limitations. A portfolio manager's ESG practices may significantly influence performance. Because securities may be included or excluded based on ESG factors rather than traditional fundamental analysis or other investment methodologies, the account's performance may differ (either higher or lower) from the overall market or comparable accounts that do not employ similar ESG practices. Some mutual funds or ETFs that consider ESG may have different expense ratios than other funds that do not consider ESG factors. Paying more in expenses will reduce the value of your investment over time if not offset by other factors such as better performance.

For institutional clients such as charitable foundations, we offer to manage investments pursuant to a mutually agreed Investment Policy Statement.

When a client has multiple brokerage accounts managed by advisor such as a taxable account and a tax-deferred account (like an IRA account), advisor will generally manage the accounts together as an overall investment portfolio. Each individual account may well not be diversified, as the advisor will consider tax and other implications in deciding in which account to place each given investment while focusing on achieving the desired diversification and asset mix for the client (depending on the investment strategy chosen, advisor's knowledge of the client, and advisor's discretion) across all the accounts taken in aggregation. Therefore, client (except in special cases agreed to in advance by advisor) will choose a single investment strategy described above that will apply to all of that client's accounts managed by advisor.

While managed accounts will generally follow one of the above models that you select, you may submit an existing portfolio for management that may contain securities that may not fit within one of the above categories, with the understanding that the portfolio will be restructured over time to more closely model one of the above strategies.

You may also direct us in writing to not purchase certain specified securities for your account. For example, you may wish to provide such instructions when you have a relationship with a public company and believe it is inappropriate to hold any securities of such company in your account. We will not render any opinion regarding such issues and, other than using our best efforts to follow your written instructions upon actual receipt, we will have no responsibility to further investigate such issues. We will of course attempt to contact you if we believe we will be unable to follow your written instructions you submit. If you are concerned about any such potential liability arising from the improper ownership or trading of securities in companies with whom you may have a special relationship, you should consult legal counsel.

Not every account managed pursuant to one of the above strategies will contain the same securities. Issues such as the liquidity needs, risk tolerance, and investment goals of individual clients, the valuation and trading liquidity of certain securities at the time an account is opened or money is deposited or withdrawn, and the nature of securities transferred from a pre-existing account will affect the actual holdings of a particular account. For clients with multiple accounts within their managed portfolio, individual accounts may often be less diversified than the overall client portfolio, as we will consider factors such as the tax status and liquidity needs of each account in determining where to place your individual investments. In general, tax-sheltered accounts will hold a different mix of securities than taxable accounts as we seek to increase both the total return and the after-tax rate of return for your entire portfolio.

In addition to managing assets pursuant to the above portfolio strategies, the Advisor may offer certain clients the opportunity to participate in investments based on special analysis concerning companies involved in significant legal or regulatory matters. The number of clients allowed to participate in such high-risk investments will be sharply limited due to the limited liquidity and high volatility often associated with the securities of such companies. An additional fee equal to an agreed percentage of the assets to be eligible for such investments may be negotiated with such clients on an individual basis, and there is currently no standard schedule.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm. You may limit our discretionary authority with respect to specifically identified securities only (not by industry group or class of securities) that will not be purchased for your account by providing our firm with your restrictions and guidelines in writing as described above.

## **Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that we reasonably believe is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially any time you move assets from an account which we do not currently manage or charge an advisory fee on to an account which we manage for an advisory fee. Specifically with regards to retirement accounts, we benefit financially from the rollover of your assets from a retirement account on which we do not currently charge an advisory fee to an account that we manage or provide investment advice for compensation, because the transferred assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## **Periodic Management Services and Investment Recommendation Services**

For select smaller accounts consisting almost entirely of mutual funds for which the client does not desire continuous management by our firm, we may offer consulting services where we monitor your account and adjust it on a periodic basis.

We also offer add-on services for our existing portfolio management clients where we currently manage a portion of their assets on a continuous basis, but the client also has other accounts, such as an employer 401(k) or self-directed retirement plan account, for which the client desires only periodic monitoring and/or recommendation services.

We offer periodic advice regarding your investments in various company retirement plans, stock option plans, employee stock purchase plans ("ESPP"), and/or restricted stock unit ("RSU") plans having a third party administrator (such as Fidelity, TIAA-CREF or Vanguard) as an optional add-on to your continuous portfolio management services. Under this service we generally do not take discretionary authority over such accounts, but rather provide periodic advice that it is your responsibility to implement should you choose to do so. If your company retirement plan offers you the option to set up a self-directed brokerage account within the plan for which a limited power of attorney for discretionary trading only (but not for transfers between accounts or withdrawals of funds) may be granted to an outside advisor, we offer periodic management on a discretionary basis upon your granting our firm such a limited power of attorney on the self-directed portion only of your plan.



We also offer periodic advice regarding your investments in 529 college savings plans as an optional add-on to your continuous portfolio management services. Under this service we will generally have a limited power of attorney to make changes to your investments in the 529 plan as we deem appropriate to meet your objectives. We will review these plans at least quarterly and will assist in the process of helping you make contributions or take withdrawals from the plan, but we will not have the authority to make contributions or withdrawals on your behalf.

Third party administrators of employer plans or 529 plans often do not provide an easy means for Advisor to download information about client plan accounts into Advisor's portfolio tracking software. In such cases, we may inform you, and you will agree, that you will rely upon the third party administrator performance information on such plans, and the Advisor's role shall be limited to providing advice on the plan account that Advisor believes most appropriate to meet client's investment goals, and reviewing such investments quarterly or more often. In such cases where we do not track periodically advised accounts in our computer system or provide detailed performance information on such accounts, and will only monitor such investments periodically, we charge a flat quarterly consulting fee, payable in arrears, for such services.

### **Financial and Estate Planning Evaluations; Other Financial Advice**

Generally, we offer financial planning and other advice only to existing or prospective portfolio management clients. Our client contracts specify a certain amount of our time per quarter that is included in the portfolio management fee and can be used for financial planning advice related to the assets under management. This time is non-cumulative and therefore cannot be carried over to the next quarter.

Should requested financial planning advice exceed the scope of services included in the client contract, or should we agree to offer such services to someone other than a current portfolio management client, then we will perform such services and make recommendations at a fixed point in time for a fixed negotiable fee or on an hourly basis.

Services offered for a fixed fee or hourly payment will terminate once we deliver a final report and final bill, unless the client contract specifically provides otherwise. Unless expressly agreed to in the client contract, Advisor assumes no obligation to update any financial advice after delivery of a final report.

Advisor's financial planning advice may cover some or all of the following areas:

- Estate Planning and Wealth Transfer
- Tax Planning
- Employee Stock Option Planning
- Retirement Planning
- Education Savings Planning
- Insurance Planning
- Budget and Debt Management

A general Financial Planning Review requires you to complete a questionnaire detailing your current assets and liabilities, future earnings power, information on current and potential dependents, planning goals and other related matters. Questions concerning all of the above listed areas of financial planning will generally be included in order to pinpoint areas needing further attention. There will be an initial meeting or telephone conversation to discuss issues raised by the questionnaire, after which we will prepare an overview containing recommendations for consideration or action. A final meeting or phone conversation will be held to discuss this written report.



An Estate Planning Review involves a review of your existing estate plan, including ownership of assets, gifting program, and existing will or trust documents in light of your estate planning goals as determined through the completed questionnaire or direct conversation. Various mechanisms of family wealth transfers, such as grantor and charitable trusts, trusts or custodial accounts for minors, family limited partnerships, and others, may be discussed as deemed appropriate. A report containing recommendations to be considered and discussed with an estate-planning attorney will be prepared. Although David Spector has legal training, he does not currently practice law. We do not prepare legal documents and we will specifically instruct you to consult with your attorney to discuss how and whether to implement any of our recommendations.

An Education Savings Plan Review will determine an estimated amount of future dollars needed for the education goals specified by you. Various vehicles for meeting these goals, such as 529 plans, Coverdell Education Savings Accounts (formerly Education IRAs), American Opportunity Tax Credits, student loans, withdrawals from IRA accounts, education savings bonds, custodial accounts for minors, and others may be discussed. Financial aid eligibility may also be discussed.

A Retirement Planning Review will help you determine the amount needed to fund your desired retirement lifestyle, and help develop a plan to save and invest appropriately to meet those needs. Related issues, such as replacement health insurance for early retirees, and how to handle employer pension and stock option issues upon retirement, may also be discussed.

If you wish to limit the focus of a review to a particular investment portfolio, an Investment Strategy Review may be appropriate and less expensive. Based upon your questionnaire responses and a review of the assets in the specified portfolio, we will prepare a written report discussing appropriate investment goals, recommended portfolio allocation, analysis of current assets and whether they meet your investment goals, and specific recommendations of portfolio changes designed to better meet those goals.

We may also offer to conduct research or render advice related to any specified investment or financial planning issue for an hourly fee.

You should be aware that services comparable to those provided by us are available from sources other than our firm and that some providers of comparable services may charge lower fees for such services than we do.

### **Wrap Fee Programs**

We do not sponsor or participate in a wrap fee program.

### **Types of Investments**

We primarily offer advice on equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, options contracts on securities and indices, and others. We may also offer advice on investments in real estate, mortgages, or mortgage-backed securities.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities. You must provide these restrictions to our firm in writing and we will use best efforts to implement them.

## Assets Under Management

As of December 31, 2021, we provide continuous management services for \$187,882,940 in assets on a discretionary basis. Of this total, \$156,113,922 are assets of clients paying investment management fees to our firm, and \$31,769,018 are assets in family and/or proprietary accounts held at our Custodian that are managed by our firm without charge. Please see Item 10 and Item 12 herein to understand how we manage the potential conflicts of interest between fee paying client accounts and the family and proprietary accounts we manage alongside them.

We also manage \$3,974,341 in client assets on a non-continuous basis for clients who pay a consulting fee for us to manage or consult on these assets on a periodic basis (most often quarterly).

## Item 5 Fees and Compensation

### Portfolio Management Fees

The advisory fee charged to a client in connection with our portfolio management services utilizing the *Legal Advantage Growth Strategy*, the *Legal Advantage Growth and Income Strategy*, *Managed Fund Portfolios* and/or *ESG Managed Fund Portfolios* is based upon a percentage of total assets advisor is managing for that client, and is set forth in the following annual fee schedules:

#### Standard Annual Fee Schedule for Clients With Billable Assets Under Management of \$1,000,000 or Less\*\*\*

Assets Under Management	Annual Fee
First \$100,000	2.00%**
Next \$900,000	1.00%**

The above fee schedule applies to clients whose combined accounts under management consist of \$1,000,000 or less in billable assets. This annual fee schedule shall be applied to your account on a "blended" basis. For avoidance of doubt, and as an example of how our blended billing procedures function, a hypothetical client with assets under our management of \$500,000 would pay 2.00% on the first \$100,000 of the client's assets under management annually, and 1.00% on the remaining \$400,000 of the client's assets under management annually.

#### Standard Annual Fee Schedule for Clients With Billable Assets Under Management Exceeding \$1,000,000\*\*\*

Assets Under Management	Annual Fee
First \$5,000,000	1.00%**
Next \$5,000,000	0.80%
Above \$10,000,000	0.60%

The above fee schedule applies to clients whose combined accounts under our management consist of more than \$1,000,000 in billable assets. This annual fee schedule shall be applied to your account on a "blended" basis. For avoidance of doubt, and as an example of how our blended billing procedures function, a hypothetical client with assets under our management of \$12,000,000 would pay 1.00% on the first \$5,000,000 of the client's assets under management annually, 0.80% on the next \$5,000,000 of the client's assets under management annually, and 0.60% on the remaining \$2,000,000 of the client's assets under management annually.

\*\* In addition, during any period of time for which the client has chosen the *Legal Advantage Hedge Strategy*, an additional fee of 0.35% will be assessed annually on assets under management up to \$5,000,000. There is no additional fee for the *Legal Advantage Hedge Strategy* on assets under management above the first \$5,000,000. For example, a hypothetical client with assets under management of \$10,000,000 and utilizing the *Legal Advantage Hedge Strategy* would pay 1.35% on the first \$5,000,000 of the client's assets under management annually, and 0.80% on the remaining \$5,000,000 of the client's assets under management annually.

The higher annual fee for the *Legal Advantage Hedge Strategy* on the first \$5,000,000 of assets under management relative to Advisor's other strategies is intended to compensate Advisor for the additional time and effort involved in trading on margin, buying or selling options, and selling securities short as allowed under this strategy. In addition, the supply of stock available to sell short is sometimes limited, and Advisor believes it is appropriate to charge an additional fee for access to such opportunities.

\*\*\* A new client generally must place a minimum of \$2,000,000 in billable assets under management before we will manage accounts for that client as described below.

Fees on portfolios are negotiable, depending on the assets involved and the amount of work we anticipate the account will require. We may lower the fee on large cash holdings or other special security holdings, either permanently or temporarily, upon written agreement with you. We may, in our sole discretion, charge lower fees or offer services "pro bono" to certain persons based upon their financial circumstances and/or other factors.

Account management fees are billed quarterly in arrears. Thus, for example, on a *Legal Advantage Growth Strategy* portfolio worth \$500,000 at the end of a quarter, a fee of one-half of one percent (0.50%), or \$500, is charged on the first \$100,000 of assets, and a fee of one quarter of one percent (0.25%), or \$1,000, is charged on the remaining \$400,000 of assets. The total quarterly fee on such a portfolio would therefore be \$1,500.

A new client generally must place a minimum of \$2,000,000 in assets under management before we will manage accounts for that client. The assets may be divided between several different client accounts, such as a taxable account and an IRA account. Members of a single household are generally treated as a single client unless they request otherwise and execute separate contracts. The client may aggregate accounts of their spouse or partner, family trusts, children or other family members, and other types of accounts to meet the minimum amount of assets under management and to determine the applicable advisory fee. Combining account values increases the client asset total, which may result in a client paying a reduced percentage advisory fee on a portion of the asset based on the available breakpoints in our fee schedule stated above. We may, in our sole discretion, waive the minimum initial assets requirement in selected cases.

For Institutional clients such as charitable foundations, we may negotiate a flat quarterly fee for the management of assets and related services.

Fees are pro-rated for accounts established or terminated in the middle of a quarter, based upon the account value at the end of the quarter or upon the termination date, respectively. Fees on mid-quarter client withdrawals or deposits from continuously managed accounts are also pro-rated. You may terminate the portfolio management agreement at any time by giving us written notice at least fifteen (15) days in advance of the termination date. You will then receive a final bill for management services pro-rated based upon the termination date.

For both our convenience and yours, when offered by client's custodian, we recommend clients instruct the custodian of their managed accounts in writing (generally by making an election on the appropriate account forms) to automatically debit our management fees each quarter from their managed accounts as invoiced by Advisor. This will help insure you do not incur any additional fees for making late payment. At approximately the same time as we process a fee deduction from your account(s) through the custodian, we will send to you an invoice copy showing the amount of the fee being debited from your account(s), the value of the assets on which the fee was based, and the manner in which the fee was calculated. Additionally, the custodian will send you account statements (at least quarterly, but usually monthly) which indicate all amounts disbursed from your account(s) including the amount of any fees paid directly to us.

Should you prefer, you may choose to pay our fees yourself by check. We do not accept credit card payments of fees. For clients who choose this method of fee payment, fees are due and payable immediately upon receipt of our invoice, and you may incur a additional charge for late payment as specified in your written advisory contract with us.

### **Periodic Management Services and Investment Recommendation Services**

For accounts managed or advised upon on a periodic basis only, not tracked in our portfolio management system and for which we do not provide independent performance reporting, we will negotiate a flat quarterly fee payable in arrears that generally will not exceed 1.0% annually of the assets being periodically reviewed. This fee is in addition to any portfolio management fee on other accounts we manage continuously for you, and will be listed as a consulting fee on your quarterly invoice.

For periodic advice regarding your investments in 529 college savings plans as an optional add-on to your continuous portfolio management services, we charge an additional quarterly consulting charge of \$100 per 529 plan account.

### **Financial and Estate Planning Evaluations; Other Financial Advice**

Generally, we offer financial planning and other advice only to existing or prospective portfolio management clients. Our client contracts specify a certain amount of our time per quarter that is included in the portfolio management fee and can be used for financial planning advice related to the assets under management. This time is non-cumulative and therefore cannot be carried over to the next quarter.

Should requested financial planning advice exceed the scope of services included in the client contract, or should we agree to offer such services to someone other than a current portfolio management client, then we will perform such services and make recommendations at a fixed point in time for a fixed negotiable fee or on an hourly basis. If the services are for a fixed fee, a payment of \$300 or one-third of the agreed fee, whichever is less, shall be required at the time of commencement of the project. The balance shall be due upon completion or in installments based upon the work completed, as negotiated and recorded in the written client contract. If the services are to be compensated for on an hourly basis, payment shall be due at the end of each month for time billed to date. Our standard hourly rate is \$400, although portfolio management clients will generally get a discounted rate as specified in their advisory contract.

We may also offer to conduct research or render advice related to any specified investment or financial planning issue for an hourly fee of \$400.

You should be aware that services comparable to those provided by us are available from sources other than our firm and that some providers of comparable services may charge lower fees for such services than we do.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. Other than through the "soft dollar" arrangement described below in the section on brokerage practices, we do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

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

Currently, we do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Please contact us if you have any questions about performance-based fees and/or side-by-side management.

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

We offer investment advisory services to individuals, trusts, estates, and charitable organizations.

A new client generally must place a minimum of \$2,000,000 in assets under management before we will manage accounts for that client. The assets may be divided between several different client accounts, such as a taxable account and an IRA account. The client may aggregate accounts of their spouse or partner, family trusts and children to meet the minimum amount of assets under management. We may, in our sole discretion, waive the minimum initial assets requirement in selected cases.

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

#### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.



- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Short Sales - a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.
- Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
  - **Risk:** If the value of the shares drops sufficiently, the investor may be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.
- Options - Options are complex securities that *involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital.* An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:
  - A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.
  - A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

In addition to traditional fundamental and technical analysis, we may analyze ongoing legal or regulatory matters and may make investments based upon such analysis. In addition to traditional sources of investment information, we may also utilize publicly available and accessible court and regulatory agency filings, documents, proceedings, or announcements. Due to the anticipated higher costs in effectively monitoring such investments, as well as the often limited liquidity and high volatility of the securities of companies involved in significant legal or regulatory matters, investments based on such analysis will not generally be made in standard client accounts. However, we may offer clients willing to pay an additional fee based on the amount of assets involved the opportunity to participate in such investments. There is currently no fee schedule for such investment advice, and fees for such services will be negotiable on an individual basis.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Technical Analysis - One risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. Technical analysis may work better for some securities than for others, or better under certain market conditions than under other market conditions.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Our strategies and investments may have unique and significant tax implications. Total return rather than tax efficiency is generally our primary consideration in the management of your assets, but we do take taxation issues we are made aware of into consideration as one factor in our account management. We will often consider the tax implications of an investment in evaluating whether it is desirable for a client and in determining whether or not to place it in a taxable or tax deferred account. We may provide certain tax information (such as realized capital gains information) about your account we believe to be accurate as a courtesy, at no additional charge, as specified in your client contract. However, we do not prepare tax returns for clients nor should clients rely on such information to always be error free. You or your tax advisor must review such information to make sure it conforms with your records. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers now generally report the cost basis of equities acquired in client accounts on or after January 1, 2011. As your advisor, we will advise your custodian to change your default accounting method in taxable accounts to the highest cost method if we believe this account method is suitable for you for calculating the cost basis of your investments. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from what may be significant losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met, other than that we will use our best efforts to meet them. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. It is each client's responsibility to notify us whenever their investment needs or life circumstances change materially. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## **Item 9 Disciplinary Information**

Legal Advantage Investments, Inc. has been registered and providing investment advisory services since 1993. Neither our firm nor any of our associated persons have any reportable disciplinary information.



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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## Item 12 Brokerage Practices

In most cases, we currently recommend the brokerage and custodial services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), an unaffiliated SEC-registered securities broker-dealer and a member of FINRA/SIPC. The Charles Schwab Corporation completed the acquisition of TD Ameritrade Holding Corporation in the fall of 2020, but TD Ameritrade is currently expected to continue to operate separately until 2023. At this time the benefits and disadvantages of this business combination for our clients remains uncertain. Changes in the breadth and quality of services offered as the businesses are integrated could lead us to change our recommendation to current and/or prospective clients as to which firm to use for brokerage and custodial services if we believe it is in a client's best interest to use a different firm in the future. Any transition could involve additional paperwork for existing clients.

TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. We believe that TD Ameritrade provides quality execution services for your account at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services we receive from TD Ameritrade, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We participate in the TD Ameritrade Institutional program through which we receive some benefits from TD Ameritrade. There is no direct link between our participation in the program and the investment advice we provide to you, although we do receive economic benefits through our 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 adviser 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 that either may be closed to retail investors or are only available with higher transaction fees or expense ratios, access to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our associated persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm and/or associated persons but may not benefit you or your accounts. These products or services may assist our firm in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits we receive through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. You should be aware; however, that the receipt of economic benefits by our firm or our associated persons itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the

"soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

The products and services we receive from TD Ameritrade will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this likely will prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. Trades at brokerages other than TD Ameritrade will generally be placed by our firm on your behalf (and therefore executed) shortly after the execution of any aggregated block trades of the same security at TD Ameritrade. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Aggregated Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. In cases where we are buying or selling the same security for several accounts at approximately the same time at a single institutional custodian such as TD Ameritrade Institutional, we will generally, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay the same price per share (the average price per share for all shares in the aggregated trade) and a fixed transaction cost regardless of the number of shares transacted by each account. In certain cases, each participating account pays an average price per share for all transactions and pays a

proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

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

David Spector reviews all managed accounts regularly to determine if he believes any changes should be made. Individual securities are generally monitored daily using computer software that tracks trading and news alerts on a real-time basis. Mutual funds and retirement assets held at third party administrators are reviewed at least quarterly.

Managed accounts (other than accounts managed periodically and/or tracked by third party administrators) are generally tracked using Captool portfolio management software. This software enables our firm to provide regular investment performance reports and assist in preparing other client requested reports.

Other services offered by our firm, such as financial and estate plan reviews, generally terminate upon delivery of the plan and receive no ongoing reviews. Clients may arrange for periodic reviews in such cases on an hourly fee basis or a fixed fee basis per review. We recommend that you review your financial goals with us at least annually.

All clients will receive regular statements from the brokerage or other firms holding custody of their assets detailing monthly transactions and the account balance at the end of the statement period. In addition, we shall provide quarterly reports to all clients having at least \$1,000,000 under our management at the end of the quarter. These reports will provide detailed performance information, the quarterly invoice, and a cover letter that discusses information Advisor deems relevant to the client. Clients having less than \$1,000,000 under management at the end of a quarter will also receive a copy of their fee invoice quarterly at the time of billing, but we may choose to send detailed performance information and other written communications to such clients less frequently. These smaller clients will receive detailed performance information from us at least annually.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

If appropriate, we may refer you to outside, non-affiliated parties, such as mortgage brokers, accountants, lawyers, and others. In some instances, we may have a pre-existing relationship with these outside parties, which we will disclose to you at the time of the referral. We do not receive any compensation for any referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with TD Ameritrade.

## **Item 15 Custody**

Your client contract gives you the option of paying our fees directly yourself upon invoice, or of having our fees directly debited from your brokerage account by your independent custodian. For both our convenience and yours, when offered by your independent custodian, we recommend you instruct the custodian in writing (generally by making an election on the appropriate account forms) to automatically debit our management fees each quarter from your managed accounts as invoiced by us. This will help insure you do not incur any additional fees for making late payment. Please see your client contract for a more detailed discussion of these alternatives.

If you choose to have our fees directly debited from your brokerage account, your independent custodian, as paying agent for our firm, will directly debit your account(s) for the payment of our advisory fees. However, three criteria must be met when payment is to be made directly by the custodian: (1) the client must have provided written authorization permitting the fees to be paid directly from the client's account held by the independent custodian, (2) Legal Advantage Investments, Inc. will send to the client, at approximately the same time as a fee invoice is sent to the custodian, a bill showing the amount of the fee being debited from client's account, the value of the client's assets on which the fee was based, and the manner in which the fee was calculated, and (3) the custodian will send statements to the client (at least quarterly, but usually monthly) which indicate all amounts disbursed from the account including the amount of advisory fees paid directly to Legal Advantage Investments, Inc.

This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this Brochure.

Since all client funds are held at independent custodians (not at our firm) and we have instituted the above safeguards, we are not currently required to have our firm financial statements formally audited or to have an independent certified accountant verify the client funds and securities held at such independent custodians.

## **Item 16 Investment Discretion**

If we provide you portfolio management services, you are required to grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment limitations with respect to specific securities in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, you will either execute transactions yourself after receiving our recommendations or we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.



## **Item 17 Voting Client Securities**

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

We are not required to provide financial information to our clients because we do not: require the prepayment of more than \$1200 in fees and six or more months in advance; take custody of client funds or securities; or, have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure. We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, attorneys and third party software providers. We may also share some information with your other services providers you have previously designated to us in the course of servicing your account.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law. You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this Brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you. At our discretion, we may assist clients in filing claims in class action lawsuits that have been brought to our attention.