



**WRAP FEE PROGRAM BROCHURE  
FORM ADV PART 2A  
APPENDIX 1**

**MANAGED ACCOUNT SOLUTIONS WRAP FEE PROGRAM**

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This wrap fee program brochure provides information about the qualifications and business practices of Signature Securities Group Corp. If you have any questions about the contents of this brochure, please contact us at (646) 822-1475. 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 Signature Securities Group Corp. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for the firm is 104233.

Signature Securities Group Corp. 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 Summary of 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, March 18, 2022, we have the following material changes to report:

### The Signature Bank Liquidation and Acquisition

On March 12, 2023, Signature Bank was closed by the New York State Department of Financial Services, which appointed the Federal Deposit Insurance Corporation (the "FDIC") as receiver. The FDIC transferred all the deposits and substantially all of the assets of Signature Bank to Signature Bridge Bank. On March 19, 2023, certain assets of Signature Bridge Bank, including the entirety of registered investment adviser and broker-dealer business in Signature Securities Group Corp. were acquired by Flagstar Bank, N.A. ("Flagstar Bank"). New York Community Bancorp, Inc. (NYSE: NYCB) is the parent company of Flagstar Bank ("NYCB"). As a result of the Acquisition, we have updated our disclosures in Item 4 (Advisory Business) and Item 10 (Other Financial Industry Activities and Affiliations) to reflect our relationship with Flagstar Bank and its affiliates. We continue to operate our business and serve our clients in the same manner as we did prior to the Acquisition.

### Other Compensation

We have updated the compensation received by the firm to include the Correspondent Business Credits that we receive from our qualified custodian. Receipt of these credits does not diminish our duty to act in your best interest, including our obligation to seek the best execution of trade activity.

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## Item 4 Services, Fees and Compensation

Signature Securities Group Corp. ("Signature") is registered with the United State Securities and Exchange Commission as an investment adviser. Signature is a corporation formed under the laws of the State of New York. We are also a registered insurance agency and broker-dealer, member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). We are a wholly owned subsidiary of Signature Bank; a New York State chartered bank and member of the Federal Deposit Insurance Corporation.

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. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") throughout this brochure. As used in this brochure, the words "we", "our" and "us" refer to Signature and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Some of our Associated Persons are also registered representatives of our firm, acting in its capacity as a broker-dealer and/or licensed insurance agents. Our Investment Adviser Representatives provide investment advisory services in their capacities as IARs and they provide securities brokerage services in their capacities as registered representatives.

### Introduction

We are a sponsor and portfolio manager for the Managed Account Solutions Program (the "Program"), a wrap-fee program, and offered to prospective and existing advisory clients. A wrap-fee program is a type of investment program that provides clients with investment management and brokerage/custodial services for one all-inclusive fee.

If you participate in the Program, you will pay our firm a single fee, which includes investment advisory services, custodial services, access to independent managers, and the execution of transactions in eligible securities. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in the Program may be higher or lower than you might incur by separately purchasing the types of investments/services available in the Program. Depending on the specific services selected by the client under the Program, fees in addition to the Program Fee may be incurred.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

Through the Program, we provide proprietary investment management and investment advisory services and through a partnership with Envestnet Asset Management ("Envestnet") and their contracted Third-Party Advisers (TPAs). We provide an extensive range of investment advisory services through the Program by enlisting third parties, including Envestnet, to offer various investment management products and services. We are not affiliated with Envestnet other than through jointly providing services to the Program. These services may include:

- Assessment of your investment needs and objectives;
- Development of an asset allocation strategy designed to meet your objectives;
- Recommendations on suitable style allocations;
- Identification of appropriate Third-Party Advisers and investment vehicles suitable to your goals;
- Evaluation of Third-Party Advisers and investment vehicles meeting style and allocation criteria;
- Engagement of selected asset managers and investment vehicles on your behalf;
- Ongoing monitoring of individual Third-Party Advisers' performance and management;
- Review of client's accounts to ensure adherence to policy guidelines and asset allocation;

- Recommendations for account re-balancing, if necessary;
- Online and paper reporting of client account(s) performance and progress;
- Fully integrated back office support systems to advisers, including custody, trade execution, and
- Confirmation and statement generation, through Fidelity.

### **Investment Process**

Signature and the client compile pertinent financial and demographic information to develop an investment strategy that will seek to meet the client's goals and objectives. Your information is electronically forwarded to Envestnet and a proposal is generated for review by Signature. Signature will analyze the proposal and recommend an appropriate strategy based on your needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. Envestnet's proposal generation software uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies. Among the factors considered in designing these strategies are historical risk ratings for various asset classes, correlation across asset classes and risk premiums.

### **Advisor Directed Models**

For Adviser Model Management, which is tailored to meet the needs of individual clients, IARs have discretion to allocate client assets amongst mutual funds and/or Exchange Traded Funds, which are reviewed by and approved by Signature. Our Investment Adviser Representatives also have the ability to create their own model portfolios for clients. Signature has opted to limit the list of available investment choices to a select list of ETFs and mutual funds. Certain ETFs and mutual funds are reviewed and chosen by Signature investment personnel to represent passive investing in certain sector, geographic, asset class, or broader market indices. The other ETFs and mutual funds in this program are subject to Envestnet review, and approved by Signature. Envestnet LPL Financial is a registered investment adviser that also performs due diligence research on other third-party investment advisers and mutual funds. Signature utilizes this research to review the mutual funds and ETF's that it offers in its program. Signature regularly reviews the appropriateness of the ETFs and mutual funds that are available to its clients. Signature regularly reviews the changes in their recommendations to ensure the available list is consistent with those recommendations. For clients using Adviser Model Management, Envestnet is providing only administrative services.

### **Changes in Circumstances**

It is important to understand that changes in your financial situation, investment objectives, tolerance for risk, or investment time horizon may cause the Program or your portfolio to no longer be suitable. It is important that your IAR maintain accurate and complete information regarding your financial needs, objectives and unique circumstances. In the event of any such changes, you should contact your IAR promptly in order to discuss the ongoing suitability of the Program or portfolio.

### **Program Platform and Investments**

Signature has contracted with Fidelity Clearing and Custody ("Fidelity") to utilize the Envestnet technology platform to support performance reporting, fee calculation and billing, and to generate re-balancing trades for the asset allocation models managed by Signature, as well as to provide Signature clients with access to TPAs (also "Managers") as part of the Program. Signature will recommend Managers and investment vehicles that correspond to the proposed asset class and styles after reviewing a proposal generated via the Envestnet platform. Envestnet has established relationships with various Managers and may establish relationships with new Managers from time to time. Envestnet evaluates Managers specializing in asset categories which include equities (both domestic and foreign), corporate debt; commercial paper, certificates of deposit, municipal securities, mutual funds, real estate investment trusts, government securities, options, and futures. Envestnet and Signature cannot guarantee the continued availability of Managers under the program.

### **Discretionary Management**

Clients participating in the Program are required to grant full discretionary investment authority to Signature and Envestnet to invest, reinvest, sell, exchange and otherwise deal with Program assets in their discretion, including without limitation the authority to select, allocate and reallocate the Program assets in client's accounts to different Managers and to delegate such discretion to such Managers. Discretionary authority is typically granted by the client agreement you sign with our firm or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. Such restrictions/guidelines may affect the composition and performance of your portfolio and/or our ability to meet your investment objectives.

In addition to Envestnet's proprietary investment models, Envestnet may retain other Managers for the purposes of creating Asset Allocation Model Portfolios ("Model Portfolios") for the Programs. Envestnet may, from time to time, replace existing Managers or hire others to create Model Portfolios for the Programs.

### **The Program Fee**

To participate in the Program, you will pay a single fee that includes a fee for asset management services and the expenses related to custody of securities, brokerage and trade execution, trade clearance and settlement. Please see the additional fees and expenses for further detail.

Clients in the Program pay a single annualized fee (the "Program Fee") based on the market value of the assets being managed under the Program and which varies based on the types of investment strategies implemented as follows:

<b><i>Wealth Builder</i></b>	
<b>Asset Value</b>	<b>Annual Fee</b>
\$10,000+	1.25%

<b><i>Mutual Funds – Exchange Traded Funds (ETFs) – Advisor Model Management, Third Party Strategies</i></b>	
<b>Asset Value</b>	<b>Annual Fee</b>
\$50,000 to \$250,000	2.00%
\$250,001 to \$500,000	1.75%
\$500,001 to \$1,000,000	1.50%
\$1,000,001 to \$2,000,000	1.50%
\$2,000,001 to \$5,000,000	1.25%
\$5,000,001 +	1.25%

<b>Multi-Manager Account</b>	
<b>Asset Value</b>	<b>Annual Fee</b>
\$50,000 to \$250,000	2.25%
\$250,001 to \$500,000	2.00%
\$500,001 to \$1,000,000	1.85%
\$1,000,001 to \$2,000,000	1.75%
\$2,000,001 to \$5,000,000	1.65%
\$5,000,001 +	1.50%

<b>SMA Equity/Balanced</b>	
<b>Asset Value</b>	<b>Annual Fee</b>
\$50,000 to \$250,000	2.00%
\$250,001 to \$500,000	1.75%
\$500,001 to \$1,000,000	1.50%
\$1,000,001 to \$2,000,000	1.50%
\$2,000,001 to \$5,000,000	1.25%
\$5,000,001 +	1.25%

<b>SMA Fixed Income</b>	
<b>Asset Value</b>	<b>Annual Fee</b>
\$50,000 to \$250,000	1.90%
\$250,001 to \$500,000	1.85%
\$500,001 to \$1,000,000	1.75%
\$1,000,001 to 2,000,000	1.50%
\$2,000,001 to \$5,000,000	1.50%
\$5,000,001 +	1.50%

The Program Fee is payable quarterly and billed in advance based upon the value of the assets on the last day of the previous quarter. Signature, in its sole discretion, may charge a lesser Program Fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, etc.).

Additional deposits and withdrawals of funds and/or securities to the MAS Program may be made to your account at any time. MAS Program Fees are calculated *pro rata* for partial billing periods based upon the value of the assets in the account and the number of days in the calendar quarter. If you terminate participation in the Program, the Program Fee will be assessed *pro rata* and refunded to you in a timely manner. If additional assets are deposited into the account after the inception of a quarter that exceed \$10,000, the MAS Program Fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. You may withdraw assets from your account at any time, subject to the usual and customary securities settlement procedures. For partial withdrawals in excess of \$10,000 within a billing period, Signature shall credit its unearned MAS Program Fee towards the next quarter's fee.

Signature's Program Agreement and the client's agreement with Fidelity or another account custodian ("Custodian") may authorize the Custodian to deduct the Program Fee from the client's account and remit it directly to Signature. In arrangements where the Program Fee is deducted directly from the client's account, Signature will instruct the Custodian to send the Client a statement, at least quarterly, indicating all amounts disbursed from their Account, including the amount of the Program Fee paid directly to Signature.

Certain Managers may impose requirements that are more restrictive requirements and varying billing practices than Signature. In such instances, Signature may alter its corresponding requirements and/or billing practices to accommodate those of the Managers.

### **Wrap Fee Program Disclosures**

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations.
- The benefits under a wrap fee program depend, in part, upon the size of the account, the management fee charged and the number of transactions likely to be generated in the account. For example, a wrap fee program may not be suitable for accounts with little trading activity. However, the Wrap Program should be evaluated in light of the products and service it offers in addition to transaction activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- Participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from third parties.
- Our firm and our Investment Adviser Representatives receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Investment Adviser Representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and the Investment Adviser Representatives have a financial incentive to recommend the Program.

### **Termination of Advisory Relationship**

You may terminate the wrap fee program agreement upon 30 days' written notice to our firm. You will incur a pro-rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at National Financial Services, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

### **Additional Fees and Expenses**

The Program Fee does not cover certain charges associated with securities transactions in Clients' accounts, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that may be imposed by any collective investment vehicles, such as mutual funds and closed-end funds, unit investment trusts, exchange-traded funds or real estate investment trusts (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses).



Where available, any 12b-1 Fees charged, will be rebated directly to your account. Further information regarding charges and fees assessed on collective investment vehicles may be found in the appropriate prospectus or offering document) or other regulatory fees; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law, and (vi) any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into the Program. With respect to this latter type of charge, Envestnet may liquidate such assets transferred into a Program in its sole discretion. In addition, the Program Fee does not cover operating fees and fees charged by Third Party Advisers

Clients should thus be aware that if they transfer in-kind assets into an account, Envestnet may liquidate such assets immediately or at a future point in time and clients may incur a brokerage commission or other charge, including a CDSC. Clients also may be subject to taxes when Envestnet liquidates such assets. Accordingly, you should consult with your IAR and tax consultant before transferring in-kind assets into a Program account. In addition to the redemption fees described above, you may incur redemption fees, when the portfolio manager to an investment strategy determines that it is in your overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain Collective Investment Vehicles prior to the expiration of the collective investment vehicle's minimum holding period. Depending on the length of the redemption period, the particular investment strategy and/or market circumstances, a portfolio manager may be able to minimize any redemption fees when, in the portfolio manager's discretion, it is reasonable to allow a Client to remain invested in a Collective Investment Vehicle until expiration of the minimum holding period. The Program Fee does not cover certain custodial fees that may be charged to clients by the Custodian. You may also be charged for specific account services, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services which you elect. Accounts may be subject to transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds. Similarly, the Program Fee does not cover certain non-brokerage-related fees such as individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs). Some mutual funds assess redemption fees to investors upon the short-term sale of its funds. Depending on the particular mutual fund, this may include sales for re-balancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees.

#### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

#### **Correspondent Business Development Credits**

As part of our agreement with Fidelity, Signature Securities Group will receive annual Correspondent Business Development Credits. These credits will continue to be paid as long as the agreement between Signature Securities Group and Fidelity remains in effect. These credits represent a conflict of interest to you, our client, and this conflict has been and will be considered when determining our recommendations regarding brokerage and custodial services.

In providing Correspondent Business Development Credits to us, Fidelity most likely considers the amount and profitability to Fidelity of the assets in, and trades placed for, our client accounts maintained with Fidelity, in order to continue to obtain the Correspondent Business Development Credits from Fidelity. We have a financial incentive to recommend to you that the assets under management by us be held in custody with Fidelity and to place transactions for your accounts with Fidelity. Our receipt of Correspondent Business Development Credits does not diminish our duty to act in your best interests, including to seek best execution of trades for your accounts.

## Item 5 Account Requirements and Types of Clients

We offer investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, insurance companies, and other business entities.

We do not have a minimum account size or minimum annual fee; however, certain Third-Party Advisers may have account minimums. Please refer to the TPA's disclosure brochure for further information.

## Item 6 Portfolio Manager Selection and Evaluation

We offer the Program with two options: 1) Envestnet selects mutual funds, exchange traded funds and Third-Party Advisers (Envestnet Model), or 2) Investment Adviser Representatives create portfolios of mutual funds and exchange traded funds made available through Envestnet's platform (Adviser Directed Model). Our fees for the wrap fee program are stated above and except as stated under *"Additional Fees and Expenses"*, we will not charge you additional fees for participating in the Program. We do not charge performance-based fees or engage in side-by-side management.

### 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:

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 information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

### Envestnet Model

Envestnet's research team has responsibility for two primary areas pertaining to investment advice: (i) asset allocation and portfolio construction and (ii) asset manager and investment vehicle evaluation.

With respect to asset allocation and portfolio construction, Envestnet uses demographic and financial information provided by the client and Signature to assess the client's risk profile and investment objectives in determining an appropriate investment plan for the client's assets. Envestnet's research team uses proprietary analytical tools and commercially available optimization software applications to develop its asset allocation strategies. Factors Envestnet uses as inputs in the asset allocation process include historical rates of risk and return on various asset classes, correlation across asset classes, and risk premiums, among others.

### Manager Evaluation

Regarding asset management and investment vehicle evaluation, Signature primarily utilizes information gathered by Envestnet through their initial and ongoing research and due diligence process.

Envestnet employs a rigorous multiphase approach to researching and selecting Managers suitable for participation in the Program ("Approved Sub-Managers"). Approved Sub-Managers are evaluated using data and information from several sources, including the manager and independent databases.

Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the Manager's disclosure brochure/Form ADV, as well as portfolio holdings reports that help demonstrate the Manager's securities selection process. To ensure accuracy, Envestnet attempts to verify all information by comparing it to publicly available sources. The investment professionals at the Manager are a primary source of information to Envestnet, providing quantitative and qualitative information. In addition, Envestnet employs several publicly available databases from independent sources, including but not limited to Nelson's Directory of Investment Managers, the Mobius M-Search database, Morningstar's Principia application, Bloomberg and Russell Mellon. These databases are used to verify the information provided by the managers.

Signature seeks Managers with a variety of investment strategies in an effort to make a wide range of investment strategies available. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies, which may not be suitable and are not intended for all clients. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. It is strongly recommended that Clients diversify their investments and not place all of their investments in high-risk investment strategies.

Before offering services provided by Approved Sub-Managers to clients, Signature reviews Envestnet's evaluations of these Managers, the Manager's Form ADV/disclosure brochure, and may request additional information from Envestnet or the Managers to evaluate the competence and experience of Managers before offering their services to Signature clients. At least annually, Signature will review any updates to this information to determine if the Manager is still suitable for the Program.

### **Adviser Model Management**

For Adviser Model Management, which are tailored to meet the needs of individual clients, IARs have discretion to allocate client assets amongst mutual funds and/or Exchange Traded Funds. Signature primarily utilizes information gathered by Envestnet through their initial and ongoing research and due diligence process. Based on this process, they are reviewed by Signature's Investment Management Team.

### **Performance Reporting**

Your IAR will review performance information provided by Envestnet for model portfolios but will not verify the accuracy of the information provided. Signature utilizes the performance reporting service provided by Envestnet to monitor individual account performance for Adviser Directed Accounts and model portfolio performance for the Program in aggregate. Performance reporting provided by Envestnet is calculated according to industry standards and is applied to each account or combination of several related accounts for a household's or family's assets or to groups of accounts in each asset allocation model for internal composite purposes.

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.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. 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 losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services:

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates, which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts; however, certain Third-Party Advisers may vote proxies. Please refer to the Third-Party Adviser's disclosure brochure and/or advisory agreement for further information. In the event the TPA does not vote proxies, if you own shares of applicable securities, 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.

### **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.

## **Item 7 Client Information Provided to Portfolio Managers**

For the Envestnet Model, Signature will forward the completed client applications and investment information to Envestnet and Envestnet will forward the applications and client account information, including any investment restrictions, to applicable Managers for processing. Signature will promptly advise Envestnet of changes to client's investment objectives and financial situation. Envestnet will promptly communicate any changes to the Managers. Signature may ask Managers to attend meetings with Signature and clients, however, Managers are under no obligation to attend any such meeting.

## **Item 8 Client Contact with Portfolio Managers**

All client contact and communications regarding participation in the Program will occur through Signature. Clients will generally not have the ability to contact and consult with Envestnet or the Managers.

## **Item 9 Additional Information**

### **Disciplinary Information**

Our firm and our employees do not have any investment advisor reportable disclosures. Additional information about the firm, other advisory firms, or an associated representative is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search for firms or associate personnel can be accomplished by name or firm identifier, known as an IARD/CRD number. The IARD/CRD number for Signature Securities Group Corporation is 104233. Additionally, your Investment Adviser Representative background information can be accessed via FINRA Broker-Check at <https://brokercheck.finra.org>.

### **Other Financial Industry Activities or Affiliations**

Investment Adviser Representatives are registered representatives with our firm, in its capacity as a broker-dealer and receive commission based compensation for selling securities in brokerage accounts. Commissions from the sale of securities are separate and apart from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives.

We are also licensed as an insurance agency. Some IARs of our firm are also licensed insurance agents through SSG. Our firm and IARs, acting in their capacity as insurance agents, will earn commission-based compensation for selling insurance products. Insurance commissions are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Our parent company, Flagstar Bank, operates an expansive retail banking network that includes banking and credit services, cash management, as well as multi-family lending, residential mortgage origination and servicing, warehouse lending, along with a robust commercial banking platform. NYCB is the parent company of Flagstar Bank. We will refer clients in need of the services described above to our affiliates. There is an inherent conflict of interest given the affiliation of the firms and that we will exclusively refer clients in need of banking and credit services to our affiliates. The fees charged by the



Firm are separate and apart from the fees charged by our affiliates for banking and credit services. Our affiliated banking organizations may not charge the lowest fees available and comparable services from other banks may be available for lower fees than those charged by our affiliates. You are under no obligation, contractually or otherwise, to use our affiliates for banking or any other services.

As noted above, following the Acquisition on March 19, 2023, we continue to operate our business and serve our clients in the same manner as we did prior to the Acquisition. As of the date of this brochure, we do not have any specific arrangements with a related person that create a material conflict of interest with clients. Nevertheless, a conflict of interest exists to the extent that an Associated Person refers clients to banking products or services offered by Flagstar Bank or New York Community Bancorp, (or their affiliates), given our affiliation with those entities.

### **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. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. 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.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at (646) 822-1475.

### **Participation or Interest in Client Transaction Agency Cross Transactions**

In very limited circumstances, Envestnet/Fidelity may engage in agency cross transactions where Envestnet/Fidelity may effect transactions between a client's accounts and the accounts of other individuals and/or entities which may include clients of our firm (i.e. arranging for the client's securities trades by "crossing" these trades with securities transactions of other advisory and non-advisory clients). Envestnet/Fidelity will only engage in agency cross transactions when Envestnet/Fidelity believes that such transactions are beneficial to the client.

### **Personal Trading Practices**

Signature Securities Group or persons associated with the 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 process than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Account Reviews**

We monitor client accounts as part of an ongoing process and conduct regular account reviews at least annually. Such reviews are conducted by your IAR and/or Investment Management Personnel. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with their Investment Adviser Representative to keep us informed of any changes thereto. We contact you at least annually to review our services and/or recommendations and to discuss the impact resulting from any changes in your financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. This is the record of assets held on your behalf. Client accounts on the LPL Financial platform are provided with quarterly performance reports in addition to client statements. This quarterly report will only be generated if the account has been established and remains in force for a full quarter (this report is for information purposes only).

### **Client Referrals**

If either an unaffiliated or an affiliated solicitor introduces a client to us, we may pay that solicitor a referral fee in accordance with the requirements of 206(4)-1 of the Investment Advisers Act of 1940 and any corresponding state securities law requirements. Any such referral fee shall be paid solely from our investment management fee, and shall not result in any additional charge to you.

If an unaffiliated solicitor introduces a client to us, that solicitor will provide the client a copy of the solicitor's Disclosure Statement containing the terms and conditions of the solicitation arrangement, including compensation. Any affiliated solicitor of the Firm shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of our written Disclosure Statement at the time of the solicitation.

We have a referral arrangement with our banking affiliate, Flagstar Bank, whereby we pay referral fees to bank employees for referring us clients in need of investment advisory services.

We have a referral arrangement with our parent company, Signature Bank, whereby we pay referral fees to Signature Bank's employees for referring us clients. Signature Bank employees will exclusively refer clients in need of investment advisory services to us.

### **The Custodian**

Clients participating in the Program are required to authorize Signature and Envestnet to designate Fidelity to provide trade execution, trade clearing and custodial services with respect to Program Assets. We will not have custody of client funds or securities, except to the limited extent of automatically deducting Program Fees from Accounts.

Under the Program, Fidelity provides trade execution and custodial services. Services provided by Fidelity in this capacity are provided pursuant to a separate agreement between the Client and Fidelity.

We believe that Fidelity provides best execution to clients. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Fidelity, including the firm's reputation, execution capabilities, and responsiveness to our clients and our firm.

Managers will have the authority to effect transactions for the client's accounts with or through another broker, dealer or bank if Signature or Manager believes that "best execution" of transactions may be obtained through such other broker, dealer or bank, including any broker-dealer that is affiliated with Signature or a Manager.

### **Trade Errors**

From time-to-time, we may make an error in submitting a trade order on your behalf. In these situations, 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.

If a trade error results in a profit and Fidelity is the custodian, all monthly net gains (after offsetting any trade error losses) from trade error profits will be donated to charity and you will not keep the profit.

If a trade error results in a profit, and Schwab is the custodian, you will keep the profit unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the profit does not remain in your account and Schwab is the custodian, Schwab donates gains of \$100 or more to charity. If a loss occurs greater than \$100, our firm will pay for the loss. Schwab may retain gains of \$100 or less, if they are not kept in your account, to offset administrative expenses. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

### **IRA 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"). 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 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 from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, 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

### **Cost Basis Reporting**

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to your Investment Adviser Representative 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.



## **Financial Information**

We are not required to provide financial information to our clients because we do not:

- Require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- 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.

## **Privacy Notice**

Federal law requires us to tell you how we collect, share and protect your personal information. Our privacy policy has not changed and you may review our policy and practices with respect to your personal information at the link provided below. Or we will mail you a free copy upon request if you call us at 1-866-sigline (1-866-744-5463):

[https://www.signatureny.com/docs/default-source/privacy-security/privacy-notice.pdf?sfvrsn=23cf9768\\_12](https://www.signatureny.com/docs/default-source/privacy-security/privacy-notice.pdf?sfvrsn=23cf9768_12).

## **IRA Rollover Considerations**

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

- Leaving the funds in your employer's (former employer's) plan.
- Moving the funds to a new employer's retirement plan.
- Cashing out and taking a taxable distribution from the plan.
- Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

Below we have identified other issues that you may want to consider:

- If you are considering rolling over your retirement funds to an IRA for us to manage. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments. Generally employer plans have a more limited investment menu than IRAs. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.

- Your current plan may have lower fees than our fees. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
- You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
- Our strategy may have higher risk than the option(s) provided to you in your plan.
- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
- Your 401k may offer more liability protection than a rollover IRA. This protection may vary by state. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA

assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.

- You may be able to take out a loan on your 401k, but not from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.