



## **Amplius Wealth Advisors, LLC**

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

This brochure provides information about the qualifications and business practices of Amplius Wealth Advisors, LLC. If you have any questions about the contents of this brochure, contact us at 215-310-7770. 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 Amplius Wealth Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number for Amplius Wealth Advisors, LLC is: 312463.

Amplius Wealth Advisors, LLC 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.

As of March 21, 2023, there are no material changes to report since our last ADV Part 2A update.

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## Item 4 Advisory Business

### Description of Firm

Amplius Wealth Advisors, LLC is a registered investment adviser based in Blue Bell, Pennsylvania. We are organized as a limited liability company ("LLC") under the laws of the State of Delaware. We have been providing investment advisory services since February 2021. We are majority owned by Liebman Family LLC and Jem Partner Holdings LLC. We are indirectly owned by Samuel Liebman, Matthew Liebman, and Aaron Marks.

The following paragraphs describe our services and fees. 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 Amplius Wealth Advisors and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

We may also offer non-discretionary portfolio management services where requested as an accommodation to our clients. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

We may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients may impose reasonable restrictions on investing in certain securities or types of securities in their account. In such cases, these requests should be approved by us in writing.

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s) and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

## **Financial Planning & Consulting Services**

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning, including but not limited to following:

- Holistic financial planning;
- Insurance and risk management overview and guidance;
- Tax efficiency overview and guidance;
- Liability overview and guidance;
- Asset allocation and investment management guidance;
- Retirement and education planning;
- Estate planning overview and guidance;
- Coordination with other professionals (CPA, attorneys, etc.); and
- Ongoing guidance for the above services on a mutually agreed upon cadence.

If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

## **Selection of Other Advisers**

We may recommend that you use the services of a third-party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. In addition, TPMM(s) may be granted authority to further delegate such discretionary investment authority to other TPMM(s). We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

## ***Dynasty Network***

We have entered into a contractual relationship with Dynasty Financial Partners, LLC ("Dynasty"), which provides us with operational and back-office support including access to a network of service providers. Through the Dynasty network of service providers, we receive preferred pricing on trading technology, reporting, custody, brokerage, compliance and other related services. Dynasty charges a

"Platform Fee," which is included as part of your annual investment management fee, as described in Item 5 below. In addition, Dynasty's subsidiary, Dynasty Wealth Management, LLC ("DWM") is an SEC registered investment adviser, that provides access to a range of investment services including: separately managed accounts ("SMA"), mutual fund and ETF asset allocation strategies, and unified managed accounts ("UMA") managed by external third party managers (collectively, the "Investment Programs"). We may separately engage the services of Dynasty and/or its subsidiaries to access the Investment Programs. Under the SMA and UMA programs, we will maintain the ability to select the specific, underlying third party managers that will, in turn, have day-to-day discretionary trading authority over the requisite client assets.

DWM sponsors an investment management platform (the "Platform" or the "TAMP") that is available to the advisers in the Dynasty Network, such as us. Through the Platform, DWM and Dynasty collectively provides certain technology, administrative, operations and advisory support services that allow us to manage our own client portfolios and access independent third-party managers that provide discretionary services in the form of traditional managed accounts and investment models. We can allocate all or a portion of your assets among the different independent third-party managers via the Platform. We may also use the model management feature of the TAMP by creating our own asset allocation model and underlying investments that comprise the model. Through the model management feature, we may be able to outsource the implementation of trade orders and periodic rebalancing of the model when needed.

We will maintain the direct contractual relationship with you and obtain, through such agreements, the authority to engage independent third-party managers, DWM and/or Dynasty, as applicable, for services rendered through the Platform in service to you. We may delegate discretionary trading authority to DWM and/or independent third-party managers to effect investment and reinvestment of client assets with the ability to buy, sell or otherwise effect investment transactions and allocate client assets. If you are participating in certain Investment Programs, DWM or the designated manager, as applicable, is also authorized without prior consultation with either us or you to buy, sell, trade or allocate your assets in accordance with your designated portfolio and to deliver instructions to the designated broker-dealer and/or custodian of your assets.

### **Retirement Plan Advisory Services**

We provide customized advisory services to corporate and not-for-profit retirement plans (each a "Plan") pursuant to The Employee Retirement Income Security Act of 1974 ("ERISA"). Services include both fiduciary and non-fiduciary services to the sponsor of the Plan (the "Plan Sponsor") and the participants of the Plan ("Plan Participants"). Services may be provided on a non-discretionary basis (ERISA 3(21) Fiduciary Services) or on a discretionary basis (ERISA 3(38) Services). Advisory services are negotiated based on the needs of the Plan and the Plan Sponsor and are included in the terms of a retirement plan investment management or consulting agreement.

We may provide some or all the following services pursuant to the terms of the retirement plan investment management or consulting agreement:

#### **ERISA Fiduciary Services**

- **Investment Policy Statement** - We will consult with Plan Sponsor to determine the Plan's objectives, investment parameters, risk tolerance, policies and constraints, and assist Plan Sponsor in drafting an appropriate Investment Policy Statement ("IPS") or revising an existing IPS
- **Investment Management** - We will assess, review and monitor the investment options made available through the Plan and make recommendations about the Plan's investment menu, based upon the Plan's IPS or other stated guidelines.

### Non-ERISA Fiduciary Services

We will perform the Non-Fiduciary Services. We may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between us and you.

- Participant Education - As requested by the Plan Sponsor, we will provide to the Plan Participants investment education services. These educational services will address general investment principles and other such financial matters.
- Service Providers - We will assist you in evaluating the Plan's current service providers, including its services, fees and performance, and conduct due diligence on alternative providers.
- Benchmarks - We will prepare comparative benchmarks for the Plan, including relative measures for fees, performance, and plan design.

### Plan-Level Discretionary Investment Management Fiduciary Services

- We will develop an investment policy statement ("IPS") for you. The IPS establishes the investment policies and objectives for the Plan.
- We will select a broad range of investment options available under the Plan consistent with ERISA Section 404(c) and the regulations thereunder.
- We will provide ongoing and continuous discretionary investment management with respect to the asset classes and investment alternatives available under the Plan in accordance with the IPS. Under this authority, we may remove and/or replace the investment alternatives available under the Plan in its discretion.
- You are responsible for determining whether the Plan should have a qualified default investment alternative ("QDIA") for participants who fail to make an investment election.
- We will provide you with periodic reporting of investment performance and results.

### Participant-Level Non-Discretionary Investment Advisory Fiduciary Services

If requested by a Plan participant, we will provide non-discretionary investment advice to the Plan participant about Plan investment alternatives. The Plan participant shall have the final decision-making authority regarding the initial selection, retention and changes in investment selections. We will perform the Non-Fiduciary Services described below. We may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between us and you.

### Plan-Level Non-Fiduciary Services

- Provide fiduciary education and support:
  - Educate on fiduciary responsibilities
  - Develop and maintain a fiduciary audit file
  - Provide meaningful fiduciary responsibility updates
  - Provide newsletters and white papers
  - Periodically review participant education and communications strategy
- Assist the Client in establishing plan objectives:
  - Examine employee demographics
  - Assist in determining budget parameters
  - Periodically review changes in participant demographics
- Assist Client in vendor selection:
  - Design and evaluate Request for Proposal (RFPs) and/or Request for Information (RFIs)
  - Screen and evaluate proprietary vendor list, analyze responses and present concise comparisons



- Provide a review of vendor's capabilities
- Interview finalists and negotiate fees and contract terms on Client's behalf
- Assist Client in negotiating services and fees

#### Participant-Level Non-Fiduciary Services

- Assist in the group enrollment meetings designed to increase retirement plan participation among employees and to improve investment and financial understanding by the employees.
- Assist in the education of the participants in the Plan about general investment principles, the investment alternatives available under the Plan and retirement readiness concepts.

#### **Assets Held Away From Our Firm**

We may leverage an Order Management System through Pontera to implement investment selection and rebalancing strategies on behalf of the client in held away accounts (i.e., accounts not directly held with our recommended custodian). These are primarily 401(k) accounts, HSAs, 403bs, 529 education savings plans, 457 plans, profit sharing plans, and other assets not custodied with our recommended custodian. We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary. There may be a difference in the performance of our strategies of an account using Pontera in comparison to accounts held at our recommended custodian.

#### **Types of Investments**

We offer advice on equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares, United States government securities, options contracts on securities, money market funds, fee-based annuities, real estate investment trusts ("REITs"), structured notes, exchange traded funds ("ETFs") and limited partnerships or private placements.

Additionally, we may advise you on various types of investments 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.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

#### **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 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.

### **Assets Under Management**

As of December 31, 2022, we provide continuous management services for \$1,013,510,118 in client assets on a discretionary basis, and \$8,262,225 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our fee for portfolio management services is based on a percentage of the assets in your account under Amplius Wealth Advisors management. This management fee will not exceed 1.75% per annum. Wealth management fees are negotiable and depend upon the size and composition of a client's portfolio and the type of services rendered. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion.

The fee is billed on a quarterly basis, in advance, based upon the market value of the assets as of the last day of the previous quarter. We include cash and cash management products and securities in our billing calculation. There may be immaterial differences between the quarter end market value reflected on your custodial statement and the valuation as of the last business day of the calendar quarter used for billing purposes, given timing and account activity. If more than \$50,000 in assets are deposited or withdrawn after the beginning of a quarter, the fee will be prorated based on the number of days remaining in the quarter and adjusted in the following quarter. Fee-based annuities are billed quarterly as determined by the issuing insurance agency or company.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. In the event the Advisory Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management 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.

### **Financial Planning & Consulting Services**

We charge flat fees ranging from \$5,000 to \$50,000 or hourly fees ranging from \$200 - \$750 per hour for financial planning and consulting services, which are negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

Our financial planning and consulting fees are due and payable as described in the advisory agreement you entered into with us. Typically, our planning and consulting fees are either payable in equal parts with 50% payable at inception of the engagement and the remaining balance due on completion of the contracted services; payable in quarterly installments, as invoiced; or due upon completion of the services rendered.

We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. Should the engagement last longer than six months between acceptance of the engagement and delivery of the consulting services to be rendered, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide services rendered to date.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Service.

You may terminate the financial planning or consulting agreement upon 30 days written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning or consulting fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning or consulting agreement.

### **Selection of Other Advisers - Use of Independent Third-Party Managers**

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Our recommendations to use third party money managers are included in the portfolio management fee that you pay to us. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Portfolio Management Services* section in this brochure. We do not charge you a separate fee for the selection of other advisers nor will we share in the advisory fee you pay directly to the TPMM, which is separate from our advisory fee.

Advisory fees that you pay to the TPMM are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document, provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

As discussed above, we use Dynasty's TAMP services. While the Dynasty Platform fee is included in your annual investment management fee, Independent Manager related charges are not included in

the investment management fee you pay to us. You will be charged, separate from and in addition to your investment management fee, any applicable independent manager fees. We do not receive any portion of the fees paid directly to Dynasty or the service providers made available through its platform, including the independent managers.

The independent manager fees are determined by the particular program(s) and manager(s) with which your assets are invested and are calculated based upon a percentage of your assets under management, as applicable. Independent fixed income manager fees generally range from 0 - 0.90% annually, and independent equity manager fees generally range from 0.00% - 1.50% annually.

You will note the total fee reflected on your custodial statement will represent the sum of our investment management fee, Platform Fee(s) and independent manager fee(s), accordingly. You should review such statements to determine the total amount of fees associated with your requisite investments, and you should review your investment management agreement with us to determine the investment management fee you pay to us.

### **Retirement Plan Advisory Services**

Our fee for retirement plan advisory services is based on a percentage of the assets in the plan under Amplius Wealth Advisors management. This management fee will not exceed 1.75% per annum. Retirement plan advisory fees are negotiable and depend upon the size and composition of the plan and the type of services rendered. More information about fees associated with retirement plan investment management or consulting services are included in the terms of a retirement plan investment management or consulting agreements.

The fee is billed on a quarterly basis, in advance, based upon the market value of the assets as of the last day of the previous quarter. If more than \$50,000 in assets are deposited or withdrawn after the beginning of a quarter, the fee will be prorated based on the number of days remaining in the quarter and adjusted in the following quarter. If this agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days during the quarter for which you are a client.

The Plan Sponsor directs and authorize us to invoice the Plan custodian or recordkeeper for payment of the fee and directs and authorizes the Plan custodian or recordkeeper to deduct the amount stated in the invoice from the Plan assets. The Plan custodian will also provide to Plan Sponsor a statement, not less than quarterly, indicating all amounts dispersed from the Plan account. Either party may terminate the agreement upon written notice or thirty (30) days prior written notice to the other party as specified in the relevant retirement plan investment management or consulting services agreement. If you have pre-paid investment management or consulting fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Assets Held Away From Our Firm**

For assets held at a custodian that is not directly accessible by our firm ("Held Away Accounts"), we may, but are not required to, manage these Held Away Accounts using the Pontera Order Management System ("Pontera") that allows our firm to view and manage assets. Our annual fee for investment management services for held away accounts will follow our portfolio management fee schedule and termination instructions as noted in the Investment Management Agreement.

Our advisory fees will not be deducted directly from the accounts managed through the Pontera Order Management System. Clients will give written authorization to deduct the fee from another non-qualified account managed by our firm, in which case, the advisory fee would be deducted from this account each quarter. Fees will be based upon your negotiated fee in accordance to our portfolio management fee schedule and your Agreement. The client does not pay an additional fee for Pontera. Further, the qualified custodian will deliver an account statement to you at least quarterly. These

account statements will show all disbursements from your account. You should review all statements and invoices for accuracy.

We pay 0.25% from our advisory fee to Pontera. Due to the use of Pontera, you will not pay our firm a higher advisory fee other than what is listed in the Agreement.

### **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 will 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. 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, refer to the *Brokerage Practices* section of this brochure.

### **Margin Balance and Margin Interest**

If suitable for you, we may use margin on your account(s) for the purpose of borrowing funds and/or securities purchases. If a margin account is opened, you will be charged interest on any credit balance extended to or maintained on your behalf at the broker-dealer. While the value of the margined security will appear as a debit on your statement, the margin balance in an account(s) will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances. With respect to short sales, the client will be assessed asset-based advisory fees based on the value of the security sold short, but not on the proceeds received upon initiation of the short sale. If you purchase securities on margin you should understand: 1) the use of borrowed money will result in greater gains or losses than otherwise would be the case without the use of margin, and 2) there will be no benefit from using margin if the performance of your account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities purchased using margin.

This creates a conflict of interest where we have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee.

### **Compensation for the Sale of Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. 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. Our fees are calculated as described in the *Fees and Compensation* 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.

## Item 7 Types of Clients

We offer investment advisory services to individuals, high net worth individuals, small businesses, charities and pension and profit sharing plans.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

### Our Methods of Analysis and Investment Strategies

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

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or 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 - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or 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.

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 and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: 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.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.



Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Modern Portfolio Theory - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

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.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

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 will 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.

ESG Investing - ESG Investing maintains a focus on Environmental, Social, and Governance issues. ESG investing may be referred to in many different ways, such as sustainable investing, socially responsible investing, and impact investing. 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 investor, demonstrate poor management of ESG risks and opportunities or are involved in issues that are contrary to the investor's own principals.

Risk: "ESG Investing" is not defined in federal securities laws, may be subjective, and may be defined in different ways by different managers, advisers or investors. There is no SEC "rating" or "score" of ESG investments that could be applied across a broad range of companies, and while many different private ratings based on different ESG factors exist, they often differ significantly from each other. Different managers may weight environmental, social, and governance factors differently. Some ESG managers may consider data from third party providers which could include "scoring" and "rating" data compiled to help managers compare companies. Some of the data used to compile third party ESG scores and ratings may be subjective. Other data may be objective in principle, but are not verified or reliable. Third party scores also may consider or weight ESG criteria differently, meaning that companies can receive widely different scores from different third party providers. 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.

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.**

We will also perform quantitative or qualitative analysis of individual securities by assessing the financial performance of the securities as well as an analysis of the characteristics of the company, including, but not limited to, quality of management, corporate governance practices, ethics, reputation and brand value. In addition, we will advise you on how to allocate your assets among various classes of securities or third-party money managers. We primarily rely on investment model portfolios and strategies developed by the third-party money managers and their portfolio managers. We may replace/recommend replacing a third-party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. It is important to note that while tax efficiency is a factor in the management of your assets, it may not be our primary consideration. Should you require tax efficiency to be the focus of our management of your assets, you should provide written notice to our firm. 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. If you believe 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. Should you have questions about which accounting method is right for you, you should contact your tax advisor. 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.

### **Other Risk Considerations**

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.

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

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. 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 the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that, "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the market place and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Commercial Paper: Commercial paper ("CP") is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay

dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks are dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnership have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.

Options Contracts: 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 very 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.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.

- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk substantial losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or decline unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

Structured Products: A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and other events that are difficult to predict.

Private Placements: A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission.

Risk: Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

### Licensed Insurance Agents

Certain Associated Persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons 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.

### Recommendation of Other Advisers

We may recommend that you use a third-party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

### Relationship with Dynasty Financial Partners, LLC

We maintain a business relationship with Dynasty Financial Partners, LLC ("Dynasty"). Dynasty offers operational and back office core service support including access to a network of service providers. Through the Dynasty network of service providers, we may receive preferred pricing on trading technology, transition support, reporting, custody, brokerage, compliance, and other related consulting services. Additionally, we participate in a referral program sponsored by Dynasty called Dynasty Connect. Please see the *Client Referrals and Other Compensation* section for additional information on Dynasty Connect.

While we believe this open architecture structure for operational services best serves the interests of our clients, this relationship presents certain conflicts of interest due to the fact that Dynasty is paid by us or our clients for the services referenced above. In light of the foregoing, we seek at all times to ensure that any material conflicts are addressed on a fully disclosed basis and handled in a manner that is aligned with your best interests. We do not receive any portion of the fees paid directly to Dynasty, its affiliates or the service providers made available through Dynasty's platform. In addition, we review such relationships, including the service providers engaged through Dynasty, on a periodic basis in an effort to ensure you are receiving competitive rates in relation to the quality and scope of the services provided.

### Stone Castle Cash Management

The Adviser and its representatives may refer clients to invest in a high-yield federally insured cash account operated by Stone Castle Cash Management, LLC. The Adviser may receive compensation for client participation in this product, such as an advisory fee or a percentage of the yield associated with this product.



A recommendation by the Adviser that a client participate in this product presents a conflict of interest, as the receipt of related compensation may provide an incentive to recommend the product based on such compensation, rather than on a particular client's need. The client is not under any obligation to purchase this or any product(s) or services recommended by the Adviser or its representatives. Clients are reminded that they may purchase or select other potentially similar products or services recommended by the Adviser through parties from which the Adviser does not stand to receive any additional benefit or compensation.

## **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 persons associated with our firm. 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 persons associated with our firm 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 persons associated with our firm 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 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.

### **Aggregated Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

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 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.

## **Item 12 Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

While our firm does not maintain physical custody of client assets, we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts (see Item 15, *Custody*, below). Client assets must be maintained by a qualified custodian. Our firm seeks to

recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition & business reputation
- Quality of services

Our firm has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides our firm with "institutional platform services." We also recommend various insurance companies that custody fee-based annuities. Our firm is independently operated and owned and is not affiliated with Fidelity. The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by Fidelity may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Fidelity to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934.

Fidelity does not make client brokerage commissions generated by client transactions available for our firm's use. The aforementioned research and brokerage services are used by our firm to manage accounts for which our firm has investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of Fidelity as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend Fidelity and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our clients may pay a transaction fee or commission to Fidelity that is higher than another qualified broker-dealer might charge to effect the same transaction where our firm determines in good faith that



the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account.

#### Wire Transfer Fees

Amplius Wealth Advisors will absorb the cost associated with money wire transfers, up to 20 wires annually, for each client. A client that exceeds 20 wires per a year will be charged the standard custodial wire transfer fee for each wire thereafter.

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

Amplius Wealth Advisors does not have any soft dollar arrangements.

#### **Software, Support and Economic Benefits Provided by Financial Institutions**

Amplius Wealth Advisors receives without cost from Fidelity administrative support, computer software, related systems support, as well as other third-party support as further described below (together "Support") which allow Amplius Wealth Advisors to better monitor client accounts maintained at Fidelity and otherwise conduct its business. Amplius Wealth Advisors receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars").

The Support benefits Amplius Wealth Advisors, but not its clients directly. Clients should be aware that Amplius Wealth Advisors receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Amplius Wealth Advisors endeavors at all times to put the interests of its clients first and has determined that the recommendation of Fidelity is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Amplius Wealth Advisors receives the following benefits from Fidelity: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information. Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Amplius Wealth Advisors (within specified parameters). These research and brokerage services are used by the Firm to manage accounts for which it has investment discretion. Without this arrangement, the Firm might be compelled to purchase the same or similar services at its own expense.

Dynasty has assisted Amplius Wealth Advisors in negotiating or facilitating payments from Fidelity in the form of credits to be applied toward qualifying third-party service provider expenses incurred in relation to transition costs or the provision of core services. This may include, but is not limited to, support of Amplius Wealth Advisors research, marketing, technology or software platforms. In some instances, Dynasty may serve in an administrative capacity to support the disbursement of these funds furnished by Fidelity.

#### **Trade Away Transactions**

The Firm may execute trades with a broker-dealer other than the client's primary custodian that nonetheless settle at and are held at the client's primary custodian ("trade away transactions"). Trade away transactions can be entered into on behalf of clients that have entered into agreements for prime brokerage clearing services with their custodian. Because clients are not required to execute a separate agreement with the other broker-dealer to enter into trade away transactions, the Firm and its Supervised Persons have discretion in selecting the broker-dealer to use to effect client transactions.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you direct us to use a particular broker-dealer, that is not our recommended broker-dealer, this request is subject to our right to decline and/or terminate the engagement. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

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 might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. 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**

We combine multiple orders for shares of the same securities purchased for discretionary 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 a fixed transaction cost regardless of the number of shares transacted. 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.

In certain instances, we may aggregate discretionary account and non-discretionary account orders. As a fiduciary, we have an obligation to seek best execution and will therefore not hold an order for discretionary accounts pending a non-discretionary account client approval. Accordingly, when non-discretionary accounts are not aggregated with discretionary account, 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.

### **Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration the availability of advisory, institutional or retirement plan share

classes, initial and ongoing share class costs, transaction costs (if any), tax implications, cost basis and other factors. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent or deferred sales charges.

## Item 13 Review of Accounts

The individual Investment Advisers of the Firm will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Usually these reviews are done at the household level and not necessarily at the account level. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Matthew Liebman, Chief Compliance Officer, will review financial plans as needed. These reviews are provided as part of the contracted services. We do not assess additional fees for financial plan reviews. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Written updates to the financial plan may be provided in conjunction with the review. Updates to your financial plan may be subject to our then current hourly rate, which you must approve in writing and in advance of the update. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

## Item 14 Client Referrals and Other Compensation

Dynasty has assisted us in negotiating or facilitating payments from Fidelity in the form of credits to be applied toward qualifying third-party service provider expenses incurred in relation to transition costs or the provision of core services. This may include, but is not limited to, support of our research, marketing, technology or software platforms. In some instances, Dynasty may serve in an administrative capacity to support the disbursement of these funds furnished by the custodian.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed as independent insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you.

### **Referrals**

We directly compensate non-employee (outside) consultants, individuals, and/or entities (solicitors) for client referrals. We also participate in Dynasty Connect, a referral program offered through Dynasty Financial Partners, LLC. In order to receive a cash referral fee from us, promoters must comply with the requirements of the jurisdictions in which they operate. If you were referred to us by a promoter, you will receive a copy of this brochure and the amount of the fees being shared by us. If you become a client, the promoter that referred you to us will receive a percentage of the advisory fee you pay us for as long as you are our client, or until such time as our agreement with the promoter expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a promoter are contingent upon your entering into an advisory agreement with us. Therefore, a promoter has a financial incentive to recommend us to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain us for advisory services. Comparable services and/or lower fees may be available through other firms.

## **Item 15 Custody**

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. 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.

### **Wire Transfer and/or Standing Letter of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third-party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an

annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Please see the *Brokerage Practices* section for information related to wire transfer fees.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may 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 objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. 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, 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**

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 applicable securities, you are responsible for exercising your right to vote as a shareholder.

Certain TPMMs vote proxies on behalf of your advisory account. Please refer to the TPMMs ADV Brochure for additional information related to their proxy voting procedures.

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 solicitations to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **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

### 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. If a trade error results in a gain through Amplius Wealth Advisors' error account, it is not credited to the client account. On a quarterly basis, the custodian will net the trade error gains and losses. Any residual gain is then donated to charity. This presents a conflict of interest as Amplius Wealth Advisors has an incentive to transact to produce trade errors that result in a gain to offset the trade errors that result in a loss. However, all net gains are ultimately donated to charity and not retained by Amplius Wealth Advisors.

### 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.

### IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

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:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. 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.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. 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.
2. Employer retirement plans generally have a more limited investment menu than IRAs.
3. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
4. Your current plan may have lower fees than our fees.



5. 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.
6. 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.
7. Our strategy may have higher risk than the option(s) provided to you in your plan.
8. Your current plan may also offer financial advice.
9. Certain assets in your current plan may receive favorable tax treatment when distributed, please consult your tax advisor for details.
10. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
11. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
12. 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.
13. You may be able to take out a loan on your 401k, but not from an IRA.
14. 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. Your current plan may allow for earlier withdrawals between the ages of 55 and 59½, free of the 10% additional tax.
15. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
16. 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.