



## ARCHITECT/STRUCTURE PROGRAM

# PART 2A

# APPENDIX 1

## PROGRAM BROCHURE

Current as of March 31, 2023

**Securities America Advisors, Inc.**

12325 Port Grace Blvd.

La Vista, NE 68128

(800) 747-6111

[www.SecuritiesAmerica.com](http://www.SecuritiesAmerica.com)

This brochure provides information about the qualifications and business practices of Securities America Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 747-6111. Securities America Advisors, Inc. is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Securities America Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Firm is 110518.

## **Item 2 - Material Changes**

Securities America Advisors, Inc. filed its last annual amendment to its Form ADV Part 2A Appendix 1 (“Appendix 1”) on March 31, 2022. Since then, the following changes have occurred:

- Item 5 – Sweep Program: Revised disclosures related to the Bank Deposit Sweep Program and Insured Cash Account Programs.

## **Item 3 - Table of Contents**

<b>Item 2 - Material Changes .....</b>	<b>2</b>
<b>Item 3 - Table of Contents .....</b>	<b>2</b>
<b>Item 4 - Services, Fees and Compensation .....</b>	<b>4</b>
<b>Item 5 - Account Requirements and Types of Clients .....</b>	<b>11</b>
<b>Item 6 - Portfolio Manager Selection and Evaluation .....</b>	<b>11</b>
<b>Item 7 - Client Information Provided to Portfolio Managers .....</b>	<b>12</b>
<b>Item 8 - Client Contact with Portfolio Managers .....</b>	<b>12</b>
<b>Item 9 - Additional Information.....</b>	<b>12</b>

#### **Item 4 - Services, Fees and Compensation**

The Architect/Structure Program ("Program") is sponsored by Securities America Advisors, Inc. ("SAA", the "Firm," "us" or "we" or "our"), an SEC-Registered Investment Adviser. Securities America Advisors, Inc. ("SAA") is registered as an investment advisor with the Securities and Exchange Commission ("SEC"), SEC File No. 801-45628, in order to offer investment advisory products and services to its advisory clients. Securities America, Inc. ("SAI"), SAA's broker-dealer affiliate, is registered with the SEC as a broker-dealer engaged in the offer and sale of securities products and is a member of the Financial Industry Regulatory Authority ("FINRA"). Advisory products and services are offered through certain Financial Advisors ("FAs") who have registered as Investment Advisor Representatives ("Advisory Representative"). Registration does not imply a certain level of skill or training. SAA and SAI are wholly owned subsidiaries of Securities America Financial Corporation ("SAFC"). SAFC is a wholly-owned subsidiary of Advisor Group Holdings, Inc. ("AGHI"), which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P. and The Berlinski Family 2006 Trust.

SAA will henceforth be referred to as "we," "us," "our" or "the Firm. The Program is presented to the client ("you") by Advisory Representatives of SAA.

You will enter into an investment advisory client agreement ("Client Agreement") with us and establish a brokerage account ("Program Account") on a fully disclosed basis with SAI. SAI is a Related Person to us and there are conflicts of interest that are further described herein and/or within the Form ADV 2A. Related Persons are defined as entities that we control or control us or are under common control with us.

##### **Advisory Services**

The Architect/Structure Program is not being offered to new customers and is only available to the existing owners of the Transferred Investacorp Accounts.

The Architect/Structure Program ("Program") is sponsored by SAA. In July 2020, SAA entered into an agreement with Investacorp Advisory Services, Inc. ("IAS"), a registered investment adviser, and Investacorp, Inc. ("Investacorp"), IAS's affiliated broker/dealer, to acquire certain advisory business and Advisory Representatives (the "Transferred Investacorp Accounts"). As a result of this agreement, SAA and SAI replaced IAS and Investacorp, as the associated registered investment adviser and broker/dealer, respectively, on the Transferred Investacorp Accounts in the Program.

Accounts in the Architect/Structure Program are managed on a discretionary basis. As a result, you grant SAA complete and unlimited trading discretion to manage your account. Pursuant to this grant of discretion, you authorize SAA to invest and reinvest the assets in each account at such time and in such manner as SAA, in its discretion, determines and to act on your behalf in all other matters necessary or incidental to the trading in each account, without discussing individual transactions or actions with you in advance.

If you have assets in one of the Transferred Investacorp Accounts, the Architect and Structure Platform programs provide you with investment advisory and brokerage execution services for a fee through an arrangement with Envestnet Asset Management, Inc. ("Envestnet"), an unaffiliated SEC-registered investment advisor that provides investment management and investment advisory services. Envestnet's technology assesses and assists your Advisory Representative in determining your risk tolerance. Based upon your risk tolerance, the Architect/Structure Program utilizes a system that assists your Advisory Representative in selecting investment products, program account types and/or asset allocation that align(s) with your risk tolerance.

Our Advisory Representatives' services are tailored to the individual needs of their clients. Our Advisory Representatives assist with establishing and monitoring your investment objectives, risk tolerance, asset allocation goals and time horizon. You have the opportunity to place reasonable restrictions or constraints

on the way your accounts are managed; however, such restrictions may cause your Advisory Representative to deviate from a strategy or recommendations that your Advisory Representative would have made if such restrictions or constraints were not in place. Thus, your account's performance may be lower than it otherwise would have been.

The services that SAA provides under some or all of these wrap fee programs may be available from other providers for lesser fees. In addition, clients may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of these programs without incurring the Wrap Fee.

The types of securities and other investments that our Advisory Representatives recommend to you under each program are as follows:

#### Architect Program

Our Advisory Representatives may recommend to you investments from a diverse group of securities, including exchange listed and NASDAQ traded stocks, bonds and warrants, as well as exchange traded real estate investment trusts, secondary market closed-end investment company securities, secondary market unit investment trusts, mutual funds, select variable annuity products, cash equivalents and other securities that SAA allows to be transacted and held in your account. This program is custodied at National Financial Services, Inc. ("NFS") and administered through the Envestnet, Inc. platform.

#### Structure Program

Our Advisory Representatives may recommend to you investments from a diverse group of securities, including exchange listed and NASDAQ traded stocks, bonds and warrants, as well as exchange traded real estate investment trusts, select fee-based non-traded alternative investment products, secondary market closed-end investment company securities, secondary market unit investment trusts, NTF mutual funds, load-waived mutual funds purchased at Net Asset Value ("NAV"), no-load mutual funds, select variable annuity products, cash equivalents and other securities. This program is custodied at National Financial Services, Inc. ("NFS") and administered through the Envestnet, Inc. platform.

SAI as broker/dealer executes trades for accounts in the above programs and NFS acts as custodian.

### **Program Costs**

Each account will be charged an asset-based fee ("program fee"). The program fee will be calculated based on the value of the assets in the account and charged in advance on a quarterly basis, as set forth in your Program agreement. The maximum annual program fee rates are:

<b>Program Name</b>	<b>Maximum Annual Program Fee</b>
Architect	2.34%
Structure	2.20%

#### Architect Program

SAA charges an asset-based advisory fee at the beginning of each quarter up to a maximum of 2.0% per annum based on the value of the assets for each account. The rates are subject to negotiation between you and SAA. SAA pays all or substantially all of the advisory fee to your Advisory Representative. SAA also receives a platform fee equal to a maximum annual fee up to 0.34% based on the value of the assets in each account, which is non-negotiable and charged to the client. This platform fee includes administrative services provided by Envestnet, Inc. The platform fee rate is blended, i.e., as the value of the assets reaches various thresholds, the assets above each threshold are charged a successively lower advisory fee rate. The account is not

charged transaction charges. The actual fee rates paid by the client are set forth in the client's agreement with SAA.

<b>Architect Account Breakpoints</b>	
<b>Account Size</b>	<b>Platform Fee</b>
First \$250,000	0.34%
Next \$250,000	0.24%
Next \$500,000	0.15%
Next \$4,000,000	0.10%
Over \$5,000,000	0.06%

Architect accounts are subject to a minimum annual maintenance fee of \$170, which is charged quarterly at \$42.50. Additionally, accounts are subject to an annual account service fee of \$50. The minimum maintenance fee and annual account service fee cover certain administrative services provided by IAS and its affiliates. These fees are in addition to the advisory and platform fees. Advisory Representatives can negotiate a discounted platform fee which is often based on assets under management within the Program. This creates a conflict of interest for your Advisory Representative to put more assets into the Program.

#### Structure Program

SAA charges an asset-based advisory fee at the beginning of each quarter up to a maximum of 2.00% per annum based on the value of the assets for each account. The rates are subject to negotiation between you and SAA. SAA pays all or substantially all of the advisory fee to your Advisory Representative. SAA also receives a platform fee up to a maximum annual fee of up to 0.20% based on the value of the assets in each account. The platform fee is charged to you. The platform fee rate is blended, i.e., as the value of the assets reaches various thresholds, the assets above each threshold are charged a successively the lower advisory fee rate. The account is also be charged transaction charges. This charge will not apply to transactions in mutual funds that have been designated by the Custodian as "NTF" or no-transaction charge funds. The actual fee rates paid by clients are set forth in each client's agreement with SAA. Please also refer to the [Client Fee Disclosure - NFS Clearing](#) located at [www.securitiesamerica.com/disclosures](http://www.securitiesamerica.com/disclosures) to find additional details regarding custodial fees.

<b>Structure Account Breakpoints</b>	
<b>Account Size</b>	<b>Platform Fee</b>
First \$250,000	0.20%
Next \$250,000	0.18%
Next \$500,000	0.15%
Next \$4,000,000	0.10%
Over \$5,000,000	Negotiable

Structure accounts are subject to a minimum annual maintenance fee of \$100, charged quarterly at \$25. The maintenance fee covers certain administrative services provided by SAA and its affiliates. These fees are in addition to the advisory and platform fees. If fees are suspended for any reason, SAA reserves the right to charge your Advisory Representative for uncollected platform fees. Advisory Representatives can negotiate a discounted platform fee, which is often based on assets under management within the Program. This creates a conflict of interest for your Advisory Representative to put more assets into the Program.

Imposing the minimum fee can cause the effective program fee rate (expressed as a percentage) to be greater than the fee rates specified in your Program agreement. You can terminate the Program agreement and a pro rata portion of any program fee paid in advance will be remitted to you based on the number of days left in the quarter following receiving notice of termination by SAA.

The program fee covers the portfolio management services provided by your Advisory Representative, program administrative services provided by SAA and Envestnet, execution of transactions through SAI and custodial services (unless otherwise agreed between the custodian and the client).

Each program can cost a client more or less than purchasing such service separately, depending on the frequency of trading in the accounts, commissions charged at other broker/dealers for similar products, fees charged for like services by other advisers and broker/ dealers and other factors.

The program fee does not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds. All 12(b)-1 fees incurred by the client are fully rebated to applicable account. Other costs assessed by broker/dealers or the custodian that are not included in the program fee include fees for transactions executed away from SAI, dealer mark-ups and spreads paid to market-makers. Also, the program fee does not cover fees and charges in connection with debit balances, margin interest, annuities, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfers, extensions, non-sufficient funds, mailgrams, legal transfers, bank wires, postage, surcharges, SEC fees or other fees or taxes required by law and costs associated with exchanging foreign currencies.

Subject to approval, Advisory Representatives may trade on margin for clients' accounts, which could result in a high portfolio turnover ratio and higher transaction charges in accounts with such charges. Additionally, the use of margin may also result in interest charges, as well as all other fees and expenses associated with the security or account involved.

## **General Information Concerning Fees and Other Client Charges**

### *Confirmation & Prospectus Paper Fees*

In addition to the fees discussed above, Confirmation and Prospectus Paper Fees also apply to your Program account.

The Confirmation Fee can be avoided by signing up for electronic delivery. Your Advisory Representative can also choose to pay this fee on your behalf. Refer to the trade confirmation to determine if this fee applies to you.

The Prospectus Fee can be avoided by signing up for electronic delivery. The Prospectus Fee is paid by your Advisory Representative.

In cases where your Advisory Representative pays the above fees, there is an incentive for your Advisory Representative to trade less often or to recommend different products to avoid the fee. Our policy and procedures are designed to ensure our Related Persons make recommendations to you that are in your best interest. Furthermore, to mitigate this conflict, you can sign up for electronic delivery.

Please also refer to the [Client Fee Disclosure - NFS Clearing](http://www.securitiesamerica.com/disclosures) located at [www.securitiesamerica.com/disclosures](http://www.securitiesamerica.com/disclosures) to find additional details regarding custodial fees.

## **Mutual Funds**

Please be aware that Account Fees are charged on all mutual fund shares that are designated as Program Investments, including shares on which you have previously paid a sales charge. Also, to the extent that cash used for investments in an account comes from redemptions of your other non-managed mutual fund investments, you should consider the cost, if any, of the sales charge(s) previously paid and redemption fees that would be incurred. Such redemption fees would be in addition to the Account Fee on those assets. Please be aware that such redemptions and exchanges between mutual funds that participate in the Program might have tax consequences, which should be discussed with your independent tax adviser.

You will bear a proportionate share of the fees and expenses of any mutual funds selected and for money market funds used as “sweep vehicles” for uninvested cash balances. These fees and expenses typically include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in Funds and are in addition to the Account Fee. Please read the prospectuses of the funds selected for a more complete explanation of these fees and expenses.

You have the option to purchase shares of mutual funds outside of the Program directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the Program or paying the Account Fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge is determined by the mutual fund (as described in the mutual fund prospectus) and may be more or less than the applicable account fee.

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B, and C shares), certain mutual funds also offer institutional share classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other share classes. Clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

With regard to any assets invested in mutual funds that are advised by SAA or an affiliate of SAA, the assets will be excluded from the calculation of the administrative fee.

## **Retirement Accounts**

There are additional fees relating to IRA and Qualified Retirement Plan accounts such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Accordingly, you should review the Account Fee and the other fees outlined above to fully understand the total amount of fees you pay.

Depending upon the level of the Account Fee, your Advisor may receive more compensation:

- 1) as a result of your participation in the Program than if you participate in other programs that your Advisor offers.
- 2) if your Advisor charges you the Wrap Account Fee which wraps management, administrative and transaction costs into one fee rather than having you pay for these services separately.

As such, your Advisor could have a financial incentive to recommend the Program to you over other programs or services.

Advisory Representatives have the ability to purchase certain securities products outside of an advisory account, but which are held in the client's advisory account. Though these assets are not subject to the

advisory account fee, you should be aware that the purchases are subject to commissions or loads which are earned by the Advisory Representative.

### **Illiquid and Alternative Investments**

There is a \$35.00 annual fee charged for registered daily NAV REITs and alternative investments.

### **Surcharge Fees Imposed on Your Account**

A surcharge of up to \$10 is assessed to you for transactions in certain mutual funds. The surcharge applies to each purchase and sale transaction for such mutual funds but excludes exchanges and periodic investments. Upon request, your Advisory Representative will provide you with a list of mutual funds subject to the surcharge fee. This list is subject to change from time to time. For additional information regarding these fees please refer to the [Client Fee Disclosure - NFS Clearing](http://www.securitiesamerica.com/disclosures) located at [www.securitiesamerica.com/disclosures](http://www.securitiesamerica.com/disclosures).

### **Sweep Program**

When your Program Account is maintained at one of our clearing firms, NFS, your free credit balance will be automatically deposited or “swept” to a deposit account at one or more banks whose deposits are insured up to applicable limits by the Federal Deposit Insurance Corporation (“FDIC”) (the “Sweep Program”). Under the Sweep Program, SAI maintains two FDIC-insured deposit programs, the Bank Deposit Sweep Program (“BDSP”) and the Insured Cash Account Program (“ICAP”), that create financial benefits for SAI as described below. For certain Program Account types, free credit balances are swept to a money market mutual fund product (the “Money Market Mutual Fund Program”), which does not create financial benefits for SAI. Please see the **Sweep Program Terms and Conditions** document, available from your Advisory Representative or from the website listed below, for full details about the Sweep Program.

As set forth in the terms of your Customer Agreement with SAI, you may remove your Program Account from participating in the Sweep Program by notifying your Advisory Representative. If you remove your Program Account from the Sweep Program, cash balances will be held by the clearing firm as a free credit balance. In addition, there are always alternatives for the short-term investment of cash balances, including non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit, that offer higher returns than the sweep options made available to you.

#### **FDIC Insured Deposit Program (BDSP & ICAP)**

Eligible account types: all accounts except ERISA Title 1 accounts, 403(b)(7), & Keogh plans

Free credit balances swept to a deposit account will earn interest that is compounded daily and credited to your Program Account monthly. Interest begins to accrue on the date of deposit with the banks participating in the program (“Program Banks”), through the business day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 in a leap year) of the posted interest rate.

#### Bank Deposit Sweep Program - BDSP

SAI has established deposit levels or tiers which ordinarily pay different rates of interest depending on deposit balances. Generally, Program Accounts with higher deposit balances receive higher rates of interest than accounts with lower balances. The interest rate payable to you is determined by us and is based on the amounts paid by the Program Banks to obtain the deposits. The amount we retain, less a fee paid to our clearing agent and the third-party administrator, will not exceed 600 basis points (6.00%) per year (the “Maximum Program Fee”) on the average daily balances held in the BDSP. Interest paid on the deposit accounts will generally be lower than the rate of return on (i) other investment products that are not FDIC insured, such as money market mutual funds and (ii) on bank deposits offered outside of the BDSP. Your Advisory Representative does not receive any portion of the fees paid by the Program Banks.

**The income we earn from Program Banks based on your balances in BDSP will in almost all circumstances be substantially greater than the amount of interest you earn from the same balances. As such, we receive a substantially higher percentage of the interest generated by deposit**



**balances in the BDSP than the interest credited to your accounts. When evaluating whether to utilize the Sweep Program and the extent to which our fee exceeds the interest rate you receive, you should assume that we are receiving the Maximum Program Fee described above.**

#### Insured Cash Account Program - ICAP

SAI will receive a monthly per-account fee for services it provides in connection with maintaining and administering the Sweep Program for IRAs held in an advisory/ fee-based account (the "Sweep Account Fee"). The Sweep Account Fee that each Advisor Group affiliated broker-dealer can earn from Program Accounts participating in ICAP is subject to a maximum monthly per account fee that is between \$34.25 and \$36.75. Please refer to the applicable **Sweep Program Terms and Conditions** document, which you can obtain from your Advisory Representative or from the website listed below; refer to "*Disclosures*," then to the FDIC Insured Deposit Program used in your account (ICAP), for further details about the maximum monthly per account fee.

The Sweep Account Fee does not depend on or vary with (and is not affected by) the actual amounts held in any particular account or your Program Account. Thus, our compensation for Program Accounts that participate in ICAP is composed solely of the Sweep Account Fee. The fee received may differ among each Program Bank. You will have no rights to the amounts paid by the Program Banks, except for interest actually credited to your account. The Sweep Account Fee will reduce the interest you are paid on the amount of assets in your Program Account.

The Sweep Account Fee will generally be paid by the Program Banks on your Program Account's behalf; however, the Fee or any portion thereof can be deducted directly from your Program Account if, for example, the amounts paid by the Program Banks are insufficient to cover the Sweep Account Fee. In the event that we debit all or a portion of the monthly account fee from your account, each such amount will be reflected on your account statement. The amount of fees received by SAI, our clearing agent, and any other service provider reduces the interest you receive on your deposit account(s).

Your Advisory Representative does not receive any portion of the fees paid by the Program Banks.

#### **Money Market Mutual Funds - NFS**

Free credit balances in the following Program Account types custodied at NFS will be automatically swept into either the Fidelity Government Cash Reserves Fund (FDRXX), or the Fidelity Government Money Market Fund – Capital Reserves Class (FZAXX) ("Fidelity Funds"), which are both managed by Fidelity Investments:

- All ERISA Title 1 account types, including Profit Sharing Plans, 401(k), Roth 401(k), Simple 401(k), Individual 401(k), qualified deferred compensation plans, defined benefit plans, target benefit plans, and money purchase pension plans
- 403(b)(7) accounts
- Keogh plans

The Fidelity Government Cash Reserves Fund and the Fidelity Government Money Market Fund are money market mutual funds and seek to maintain a stable share price of \$1.00 per share. Both Fidelity Funds invest at least 99.5% of their total assets in cash, U.S. Government securities and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities). Both Fidelity Funds invests in U.S. Government securities issued by entities that are chartered or sponsored by Congress but whose securities are neither issued nor guaranteed by the U.S. Treasury. Although the Fidelity Funds seek to preserve the value of your investment at \$1.00 per share, neither can guarantee they will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

SAI does not receive any compensation from Fidelity Funds.

For additional information about the [Sweep Program](#) for accounts custodied at NFS please visit our website located at [www.securitiesamerica.com/disclosures-sweep-program-resources](http://www.securitiesamerica.com/disclosures-sweep-program-resources).

## **Material Conflicts of Interest**

Because the Sweep Program generates significant payments from third parties (*i.e.*, the Program Banks that participate in BDSP and/or ICAP) to SAI, a conflict of interest exists. A conflict of interest also arises because we earn more compensation from cash balances being swept to or maintained in the Sweep Program than if you purchase other investment funds or securities. **The more client deposits held in BDSP, and the longer such deposits are held, the greater the compensation we, our clearing firms, and the third-party administrator receive. By investing through an advisory account, the compensation we receive from the BDSP or ICAP, as applicable, is in addition to the advisory fees that you pay. This means that we earn two layers of fees on the same cash balances in client advisory accounts with us.** If we did not receive such compensation, which is in addition to advisory, transaction, servicing and other fees and compensation related to Program Accounts, such client fees (including advisory fees) would generally be higher.

In addition, a conflict of interest arises as a result of the financial incentive for the Firm to recommend and offer a Sweep Program over which they have control of certain functions. SAI has the ability to establish and change interest rates paid on Sweep Program balances, to select or change Program Banks that participate in the BDSP and ICAP, and to determine the tier levels (if applicable) at which interest rates are paid, all of which generates additional compensation for SAI.

The Advisory Representative who makes investment recommendations for your Program Account does not receive any compensation from these payments or based on the selection of the sweep vehicle. The Firm maintains policies and procedures to ensure recommendations made to you by its Advisory Representatives are in your best interest. For more information about this service and benefits that we receive in connection with such deposits, please refer to the Sweep Program terms and conditions document, which you can request from your Advisory Representative.

Given the conflicts discussed above, each client should consider the importance of BDSP and ICAP to us when evaluating our total fees and compensation and deciding whether to utilize the BDSP and/or ICAP.

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

### **Types of Clients**

The Program is available to individuals (including high net worth individuals), banking or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, state and municipal governmental entities, as well as other business entities.

### **Minimum Account Size**

This Program is closed to new clients and accounts. There is no minimum account requirement for the Architect/Structure Program.

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

Your Advisory Representative is the sole portfolio manager available with respect to the Program. Because your Advisory Representative is the portfolio manager in this Program you acknowledge that you have chosen him or her to act in this capacity. Advisory Representatives are selected by their Firms based on various criteria including experience. You should refer to the relevant Form ADV of the Firm with which your Advisory Representative is associated.

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

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

Please refer to the Firm's Privacy Policy located at [www.securitiesamerica.com/disclosures](http://www.securitiesamerica.com/disclosures) to find details.

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

### **Client-Advisor Relationship**

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments. You should direct any questions that you have regarding the Program to your Advisor.

## **Item 9 - Additional Information**

### **Disciplinary Information**

#### Disclosure of Disciplinary Actions Related to Failure to Implement Policies and Procedures to Prevent Misappropriation of Funds

On June 30, 2021, Securities America Advisors, Inc. ("SAA") entered into a Settlement Order ("Order") with the Securities Exchange Commission ("SEC"). The SEC found that SAA violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. More specifically, during the period of November 2014 to March 2018, SAA failed to implement policies and procedures for the review of automatically generated surveillance alerts before and after client disbursements to ascertain possible misappropriation.

Without admitting or denying the SEC's findings, SAA agreed to cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act Rule 206(4)-7. SAA reimbursed clients for their losses and agreed to pay a civil monetary penalty totaling \$1,750,000 to the SEC.

Additionally, SAA agreed to retain the services of an independent consultant to conduct a comprehensive review of SAA's policies and procedures designed to detect and prevent the misappropriation of assets from client accounts. We encourage all clients to review their official brokerage statements on a regular basis and report any concerns or irregularities with withdrawals to SAA.

#### Disclosure of Disciplinary Action Relevant to Business Development Corporation of America

On February 19, 2021, SAI and SAA (the "Firms") collectively entered into a Settlement Order ("Order") with the Commonwealth of Virginia State Corporation Commission ("Commission"). The Firms consented to the Order as a result of one representative's alleged conduct in his capacity as a registered representative of SAI and as an investment adviser representative of SAA. The representative was alleged to have violated Rule 21 VAC 5-20-280 (A) (3) of the Commission's Rules Governing Broker-Dealers ("B-D Rules") by recommending the purchase of the unsuitable Business Development Corporation of America ("BDCA"), as well as Rule 21 VAC 5-80-200 (A) (1) of the Commission's Rules Governing Investment Advisors ("IA Rules"). In the Order, the Commission alleged that the Firms failed to reasonably supervise one of its financial professionals for recommending the purchase of the unsuitable BDCA securities to a client.

Without admitting or denying the findings, the Firms agreed to purchase the remaining shares the client holds in BDCA for the full purchase price of \$50,000 and pay penalties and costs totaling \$25,000.

#### Disclosure of Disciplinary Action Related to the Sales of Complex Exchange-Traded Products

On November 13, 2020, Securities America Advisors, Inc. ("SAA") entered into a settlement agreement with the Securities and Exchange Commission ("SEC") and an administrative order has been issued by the SEC. The SEC found the Firm violated Section 206 and Rule 206(4)-7 of the Investment Advisers Act of 1940. More specifically, during the period from January 2016 through February 2018, SAA did not adopt and implement policies and procedures reasonable designed to prevent unsuitable investments by its investment advisor representatives in volatility-linked exchange traded products ("ETPs").

Without admitting or denying the SEC's findings, the Firm agreed to cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act and Advisers Act Rule 206(4)-7. The Firm also agreed to pay disgorgement, prejudgment interest, and a civil monetary penalty totaling \$603,776.82 to the Securities and Exchange Commission.

The SEC noted that SAA cooperated with the SEC and promptly took remedial steps to adopt policies and procedures that, with a few narrow exceptions, prohibited trading in volatility-linked ETPs.

#### Disclosure of Disciplinary Action Related to Mutual Fund Shares

While SAA neither admitted nor denied the SEC's findings, the SEC found that SAA breached its fiduciary duty, had inadequate disclosures and was deficient in its compliance policies and procedures in connection with SAA's mutual fund share selection practices.

During February 1, 2012 to December 31, 2016 (the relevant period), the SEC found that SAA's IARs invested advisory clients in mutual fund share classes charging 12b-1 fees and that SAI, SAA's affiliated broker/dealer, received 12b-1 fees based on those investments. SAI then paid a portion of the 12b-1 fees to its registered representatives who also acted as SAA IARs. The SEC found that SAA's disclosure documents failed to adequately inform clients that this was a conflict of interest because less expensive share classes were available for the same fund and that this made SAA's practice inconsistent with its duty to seek best execution for its clients' transactions.

Also during the relevant period, the SEC found that SAA failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and its Rules. The SEC found SAA's conduct violated Sections 206(2), 206(4) and 207 of the Advisers Act and Rule 206(4)-7.

On December 14, 2017, without admitting or denying the SEC's findings, SAA submitted an Offer of Settlement. On April 6, 2018, the SEC entered an order against SAA (File Number 3-18424) in which SAA was instructed to cease and desist from committing or causing violations of Sections 206(2), 206(4) and 207 of the Advisers Act and Rule 206(4)-7 thereunder. SAA was also censured and ordered to pay disgorgement of \$4,473,025.50, prejudgment interest of \$580,423.14 and a civil penalty of \$775,000.00. Clients can also refer to Investment Adviser Public Disclosure at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for additional information.

Prior to the entry of the SEC's order, SAA implemented several policies to address the mutual fund share class selection practices described in the SEC's order. SAA now requires that its IARs complete all new purchases of mutual funds in advisory accounts at the lowest cost share class available to SAA, and SAA has worked with its clearing platforms to ensure compliance with this policy. Additionally, SAA has taken steps to convert mutual fund investments in all Class A shares (or comparable classes) to the lowest cost share classes available for the same funds at no costs or tax consequences to its existing advisory clients. For those shares that cannot be or have not yet been converted, SAA has implemented a policy to credit back any newly incurred 12b-1 fees to existing advisory clients.

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

Advisors that offer the Program may be “Related Persons” to us. You should see the ADV Part 2A of your Advisor that will be provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

## **Code of Ethics**

We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

This response is only intended to provide you with a summary description of our Code of Ethics. Please refer to our Code of Ethics located at [www.securitiesamerica.com/disclosures](http://www.securitiesamerica.com/disclosures) in its entirety for additional details.

It is SAA’s policy to prohibit agency cross transactions where representatives act as brokers for both buying and selling a single security between two different clients and are compensated through an agency commission or principal mark-up for the trades. If we adopt a different policy in this area, we will observe all rules and regulations in accordance with the disclosure and consent requirements of Section 206(3) of the *Advisers Act*. Additionally, we are aware that such transactions only occur if we ensure that we meet our duty of best execution for the client.

Individuals who are covered by our Code (“Access Persons”) can buy or sell securities identical to those recommended to you for their personal accounts. In addition, any of our Related Person(s) may have an interest or position in securities which are recommended to you. Our Code requires Access Persons to report their personal securities holdings for review by us.

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

Your Advisor, who may be a Related Person to us, can recommend or buy and sell securities that it or its Related Persons’ have a financial interest in. Please see the ADV Part 2A of your Advisor for further details on these financial interests and associated conflicts of interest.

## **Trade Errors**

Occasionally, a trading error can occur where either we, or our Advisory Representatives, are at fault for effecting one or more erroneous securities transactions for a client’s brokerage account. If this occurs in your account, the error will be corrected, and your account will be restored to the same economic position had the error never occurred. In the process of restoring your account, a profit may be realized, or a loss suffered in connection with correcting this error. Neither losses nor gains realized will be passed on to you.

As a result, trade corrections can result in a financial benefit to us or our affiliated broker/dealers. By opening an account with us, you are directing us to follow the error correction policy described above and to retain the financial gains, if any, recognized from error-correction transactions in the manner described as the payment of reasonable compensation for services provided.

### **Review of Accounts**

Your Advisory Representative periodically reviews your account and contacts you annually. For further account review details, please see the ADV Part 2A of your Advisory Representative.

### **Indirect Compensation and Revenue Sharing Disclosure**

The Advisor and Broker-Dealer offer a range of investments and services to its clients. As you work with your Advisory Representative to determine the right investments and services to achieve your investment goals, it is also important for you to understand how your Broker-Dealer, Advisor, and Advisory Representative are compensated. This is because various forms of compensation create potential conflicts of interest, and it is important for you to assess potential conflicts of interest in making investment decisions.

To better understand how your Advisor and Advisory Representative are compensated, please refer to your Advisor's Form ADV Part 2A. For additional information regarding Broker-Dealer and SAA compensation please refer to the [Indirect Compensation Disclosure](#) located at [www.securitiesamerica.com/disclosures](http://www.securitiesamerica.com/disclosures).

### **Client Referrals and Other Compensation**

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. For further details on compensation and other economic benefits that your Advisor receives, please see their ADV Part 2A.

### **Financial Information**

Your Program assets will be custodied at National Financial Services, LLC. The Program does not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We have no financial condition that might impair our ability to meet our contractual commitments to clients and have never been the subject of a bankruptcy proceeding.