



Private  
Advisor Group  
Registered Investment Advisor

## Part 2A – Brochure, Appendix

For IAR-managed Custodian  
Programs and other wrap accounts

**Private Advisor Group, LLC**  
SEC File Number 801-72060

**Contact: James Hooks, Chief Compliance Officer**  
65 Madison Avenue, Suite 300, Morristown, New Jersey 07960  
(973) 538-7010  
privateadvisorgroup.com

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### Item 1 Cover Page

This Wrap Fee Program Brochure ("Brochure") provides information about the qualifications and business practices of Private Advisor Group, LLC ("Registrant"). If you have any questions about the contents of this Brochure, please contact us at (973) 538-7010 or [riacompliance@privateadvisorgroup.com](mailto:riacompliance@privateadvisorgroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Registrant also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 ("Advisers Act") and has a duty to pursue its clients' best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of our disclosure documents is to disclose those material facts and conflicts of interest.



This Brochure for SWM II and other wrap accounts serves as Registrant’s disclosure statement for our wrap fee accounts other than WealthSuite by Private Advisor Group.

## Item 2 Material Changes

This section describes all material changes to this Brochure since its last annual update filed on April 19, 2022:

- In July 2022, the Registrant entered into a settlement with the Securities and Exchange Commission (“SEC”) with respect to mutual fund share class purchases and disclosures. Please see Item 9 of this Brochure for a detailed summary, including a link to the SEC Order.
- Item 4 of this Brochure was updated to:
  - Enhance disclosures regarding conflicts of interest to consider in connection with the selection of mutual funds and a specific transaction cost commonly known as ticket charge or ticket fee associated with each mutual fund transaction as well as its settlement with the SEC.
  - Reference WealthSuite by Private Advisor Group, a new proprietary wrap fee program operated by Registrant.
  - Clarify the services and fees related to the various wrap fee programs sponsored by Registrant and provide further details regarding the custodians available through Registrant's wrap fee programs.
- Item 6 of this Brochure was updated to provide additional details regarding Registrant's portfolio manager selection and evaluation processes.
- While not material, the Registrant also made additional updates throughout this Brochure to enhance readability for clients.

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## Item 4 Services, Fees and Compensation

Private Advisor Group, LLC ("Registrant") is a limited liability company formed on September 2, 2010 in the State of New Jersey. The Registrant became registered as an investment adviser firm with the U.S. Securities and Exchange Commission ("SEC") in January 2011. The Registrant is principally owned by PAG Holdings, LLC which is owned by PAG Partnership Holdco, LLC. PAG Partnership Holdco, LLC is principally owned by PAG Legacy Partners, LLC, and by Merchant Wealth Partners. PAG Legacy Partners, LLC is principally owned by Patrick J. Sullivan, John Hyland, RJ Moore, James Perhacs, James D. Sullivan and Frank Smith. PAG Holdings, LLC is the Registrant's Managing Member.

### A. INVESTMENT ADVISORY SERVICES:

The Registrant offers a variety of investment advisory services on a wrap and non-wrap basis. Investment advisory services can be offered on a wrap fee basis through: (1) WealthSuite by Private Advisor Group ("WealthSuite or the "WealthSuite Wrap Fee Program" described in the WealthSuite Wrap Brochure), which are managed portfolios available on the Registrant's platform; (2) the Private Advisor Group Wrap Program (the "Program") or (3) through a variety of managed portfolios or other advisory programs available through the Registrant's custodians ("Custodian Programs", also referred to as "Third Party Advisory Programs"). The Registrant also provides access to TAMPs (turnkey or third-party asset management programs) to its clients. Custodian Programs (or Third Party Advisory Programs) refer to programs where the custodian provides the management of the portfolio or strategy. TAMPs refer to programs provided through a custodian but are also managed by a third party other than the custodian. This Brochure provides a description of the advisory services under the Program, Custodian Programs, and certain TAMPs. You may obtain Form ADV Brochures for the Registrant's other advisory programs, including WealthSuite, at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your investment adviser representative ("IAR").

The Registrant works to provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services to any client, an IAR discusses the client's particular investment objectives and risk tolerances. The IAR (under the Registrant's supervision) allocates each client's investment assets by choosing from programs within WealthSuite, the Program, Custodian Programs or TAMPs in a manner consistent with the client's designated investment objectives and risk tolerances. WealthSuite, the Program, Custodian Programs, and TAMPs differ in that the Registrant participates in varying capacities, whether as portfolio manager, adviser, co-adviser, or solicitor, depending on the program and the needs of or direction provided by its clients. Any custodian or additional adviser involved in providing advice does so in varying capacities as well, including sub-adviser, co-adviser, strategist or other advisory role. Clients should discuss with their IAR what type of relationship and advice they seek from the Registrant, what programs are appropriate for their investment objectives and risk tolerances and, if anyone other than the Registrant is providing investment advice, in what capacity.

Clients can at any time impose certain restrictions in writing on the Registrant's services. Each client is advised that it remains his or her responsibility to promptly notify the Registrant if there is ever any change in his or her financial situation or investment objectives, so the Registrant and its IARs can review and revise Registrant's previous recommendations and services. The Registrant and its IARs will maintain channels of communication with clients to be available to discuss clients' investments, investment objectives and risk tolerances. If the Registrant becomes aware that any activity described in this Brochure is no longer permitted under any relevant law, the Registrant will cease engaging in such activity.

The Registrant recommends to all clients that all client investment funds be held by a broker-dealer or custodian in accounts identified individually to the client and about which the client will receive regular statements from the broker-dealer or custodian. The Registrant does not accept engagements with clients where client funds are pooled into an omnibus account.

This Brochure is provided solely as a disclosure for Registrant's wrap fee programs (other than WealthSuite)



where securities transaction fees are included as part of Registrant's overall investment advisory fee (as detailed in Item 5 of the Form ADV, Part 2A Brochure). In addition, Registrant charges advisory fees through certain programs sponsored by its custodians. These wrap fee programs are detailed in the following sections.

## **PRIVATE ADVISOR GROUP WRAP PROGRAM**

The Registrant is the sponsor and investment manager of the Private Advisor Group Wrap Program (hereinafter the "Program"). Under the Program, a client is charged a fee based on the percentage of the assets being managed for investment management. Transaction fees would be billed to the Registrant by the custodian. The current annual advisory fee ranges from negotiable to 2.25%, based upon various objective and subjective factors including, but not limited to, the types of assets being managed, the amount of the assets placed under the Registrant's direct management, the amount of the assets placed under the Registrant's advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/monitoring services, but does not have trading authority), the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. (See also Fee Differential discussion in Additional Information section below). The Registrant includes normal securities transaction fees with its investment advisory fees to provide clients with a single overall fee. Under the Program, the Registrant is authorized by the client in writing to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority must be included in the written agreement between each client and the Registrant. Clients can change these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant's IARs to discuss their account.

In Program accounts, Registrant, through its IARs, can provide ongoing investment advice and management on assets in an account separately identified to a client and separately managed on behalf of a client. The custodian for each Program account provides services which include custody of securities, trade execution, clearance, and settlement of transactions. Further details about custodian selection for Program accounts are provided below.

### Program Accounts

- **Strategic Wealth Management ("SWM II") Wrap Program Accounts**

In the SWM II program at LPL Financial, LLC ("LPL Financial"), the Registrant through its IARs can provide ongoing investment advice and management on assets in an account separately identified to a client and separately managed on behalf of a client on a wrap fee basis. The Registrant provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, business development companies ("BDCs"), private equity, real estate investment trusts ("REITs"), equities, and fixed income securities. The Registrant provides advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients can impose restrictions on investing in certain securities or groups of securities by indicating in the client's account application.

LPL Financial acts as the custodian to SWM II accounts, provides brokerage and execution services as the broker-dealer on transactions, and performs administrative services, such as delivering quarterly performance reports to clients.

- **Other IAR-Managed Wrap Program Accounts**

If a client desires to receive Registrant's advisory services on a wrap fee basis but directs Registrant to use a custodian other than LPL Financial, client will not open a SWM II account. Instead, Registrant, through its IARs, can provide ongoing investment advice and management on assets in an account separately identified to a client and separately managed on behalf of a client on a wrap fee basis that is carried by a custodian other than LPL Financial. Similar to SWM II accounts, the Registrant provides advice on the purchase and



sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, business development companies ("BDCs"), private equity, real estate investment trusts ("REITs"), equities, and fixed income securities. The Registrant provides advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients can impose restrictions on investing in certain securities or groups of securities by indicating in the client's account application. In such instances, the following are the custodians outside of LPL Financial currently used by Registrant:

1. Charles Schwab & Co., Inc.
2. TD Ameritrade, Inc.
3. Pershing, LLC
4. Fidelity Brokerage Services, LLC
5. SEI Private Trust Company, and
6. AssetMark Trust.

#### Custodian Selection and Services

The final decision to custody assets with a particular custodian is made by the Registrant's clients. The Registrant's IARs have significant impact on the decision of which custodian is used. The Registrant does not have custody of client funds or securities. All client investment funds are held by a broker-dealer or custodian in accounts identified individually to the client and about which the client will receive regular statements. Any funds being deposited for investment should be payable to the broker-dealer or custodian where the account is held, not to the Registrant or one of its IARs. Although consolidating client assets in an omnibus account could create some marketplace advantages, the Registrant has determined to adopt a policy of using individual client accounts at an independent custodian to provide greater security and transparency to its clients.

An IAR uses at least one custodian, and certain IARs use multiple custodians. When an IAR who is dually registered with LPL Financial ("Dually Registered Person") wishes to use a custodian other than LPL Financial, the IAR must receive approval by LPL Financial. It is possible that a client may wish their assets to be held by a custodian that the IAR does not have access to, though the Registrant does. In that event, the client could choose to switch IARs in order to access the particular custodian through the Registrant. We note that approval by LPL Financial need only occur for IARs that are Dually Registered Persons. If approved, the client can be serviced but the IAR will incur a fee equal to 5 basis points (0.05%) of the assets under management due to LPL Financial. Although this oversight fee is not directly charged to the client, the IAR will factor in the cost of the oversight fee when determining the advisory fee charged to the client.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer, custodian and or program sponsor for the client accounts. The Registrant has the ability to have its advisory fee for each client debited by the custodians on a quarterly basis. In some cases, payment of fees can be made directly to the Registrant by clients, but never to its IARs. Compensation and fees earned by the Registrant's IARs are adjusted with the goal of mitigating conflicts of interest.

The Registrant can also provide a written periodic report summarizing account activity and performance.  
**Please Note:**

- To the extent that the Registrant provides clients with periodic account statements or reports, clients are urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.
- The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.



## CUSTODIAN WRAP FEE ADVISORY PROGRAMS

The Registrant offers investment advisory services on a wrap fee basis through the Custodian Programs. Transaction fees (if any) for client accounts in Custodian Programs are billed to the Registrant by the custodian, rather than to the client. The Registrant's current annual advisory fee ranges from negotiable to 2.25%, based upon various objective and subjective factors including, but not limited to, the types of assets being managed, the amount of the assets placed under the Registrant's advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/monitoring services, but does not have trading authority), the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered, and additional assets having been placed with the Registrant for management and the likelihood of additional assets being placed with the Registrant for management as a result of the Registrant having a relationship with an association, organization, group or company. (See also Fee Differential discussion below). The terms and conditions for client participation in the advisory programs are set forth in Registrant's advisory agreements and account paperwork for the advisory programs. All prospective advisory program participants should read the Registrant's Part 2A Brochure, this disclosure Brochure and all relevant IAR Brochure supplements, other disclosure documents provided by Registrant and any disclosures or other documentation from the Custodian Programs. All prospective advisory program participants also should ask any questions that they have, prior to participation in the Custodian Programs.

As part of the Custodian Programs, a registered broker-dealer that is a member of FINRA and SIPC will maintain custody of clients' assets and effect trades for their accounts. LPL Financial is the primary custodian, but the Registrant participates in advisory programs sponsored by other investment advisers using custodians other than LPL Financial. Specific details about each program are determined by the program sponsor and are subject to change. For more information regarding the Custodial Programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and Form ADV program brochure) and the Form ADV Part 2A of the applicable program sponsor. Clients should thoroughly review disclosure documents provided about the specific program they are participating in (please see the Custodial Program account packet, which includes the account agreement and Registrant's Form ADV program brochure, and, if applicable, the Form ADV Part 2A of other investment advisers providing services through a Custodian Program).

The following chart and the additional details below are intended as a partial guide to the Custodial Programs available.

### CHART - OVERVIEW OF CUSTODIAN PROGRAMS AVAILABLE

Wrap Program	Custodian(s)	Type of Program	Portfolio Manager	Program Overview	Investment Products
<b>Optimum Market Portfolios ("OMP")</b>	LPL Financial	Model Portfolios	LPL Financial	IAR advises client on model portfolio selection. LPL Financial has discretion to place trades based on the selected portfolio.	Optimum Funds Class I shares
<b>Personal Wealth Portfolios ("PWP")</b>	LPL Financial	Asset Allocation Portfolio	LPL Financial	IAR advises client on asset allocation portfolio selection. LPL Financial has discretion to place trades based on the selected portfolio.	Mutual funds, ETFs, equity and fixed income securities <sup>1</sup>
<b>Model Wealth Portfolios ("MWP")</b>	LPL Financial	Model Portfolios	LPL Financial, third-party manager, and/or PAG IAR	IAR advises client on model portfolio <sup>2</sup> selection. LPL Financial has discretion to place trades based on the selected portfolio.	Mutual funds, ETFs, ETNs, closed-end funds, equity and fixed income securities





Wrap Program	Custodian(s)	Type of Program	Portfolio Manager	Program Overview	Investment Products
<b>Manager Access Select ("MAS")</b>	LPL Financial	Separate Managed Accounts ("SMA Platform") or Model Portfolios ("MP" Platform")	LPL Financial or third-party manager	<p><i>SMA Platform</i> - IAR advises client on selection of third-party portfolio manager ("SMA Manager"). SMA Portfolio Manager places trades based on client's investment needs.</p> <p><i>MP Platform</i> - IAR advises client on model portfolio<sup>3</sup> selection. LPL Financial has discretion to place trades based on the selected portfolio.</p>	Mutual funds, ETFs, options, equity and fixed income securities
<b>Guided Wealth Portfolio ("GWP")</b>	LPL Financial	Automated Asset Allocation Portfolio	LPL Financial and FutureAdvisor, Inc. <sup>4</sup>	IAR advises client on asset allocation portfolio <sup>5</sup> selection. LPL Financial and FutureAdvisor have discretion to place trades based on the selected portfolio, including rebalancing and tax loss harvesting (if applicable).	Mutual funds and ETFs
<b>Fidelity Separate Account Network ("SAN")</b>	Fidelity	Dual Contract	Third-party manager	IAR advises client on selection of third-party portfolio manager ("SAN Manager"). SAN Manager places trades based on client's investment needs.	Refer to the SAN Manager Form ADV Part 2A
<b>Schwab Institutional Intelligent Portfolios ("IIP")</b>	Charles Schwab & Co., Inc.	Automated Asset Allocation	Registrant	IAR advises client on asset allocation portfolio <sup>6</sup> selection, and IAR manages the portfolio on a discretionary basis.	Mutual funds and ETFs
<b>TD Institutional Advisor Program</b>	TD Ameritrade, Inc.	Unified Managed Accounts ("UMA")	Registrant	IAR advises client on asset allocation portfolio, selection of third-party model portfolios, and/or selection of third-party portfolio managers. <sup>7</sup> IAR manages the portfolio on a discretionary basis, including the discretion to delegate management of the portfolio to third-party managers in a sub-advisory relationship.	Mutual funds, ETFs, options, equity and fixed income securities



Wrap Program	Custodian(s)	Type of Program	Portfolio Manager	Program Overview	Investment Products
<b>Investment Adviser Solutions by SEI</b>	SEI Private Trust Company	Asset Allocation Portfolios and Sub-Advisory	SEI Investment Management Corp. ("SIMC")	<p><i>Asset Allocation Portfolios</i> - IAR advises client on asset allocation portfolio selection. SIMC has discretion to place trades based on the selected portfolio.</p> <p><i>Sub-Advised Program</i> - IAR appoints SIMC as sub-advisor. SIMC manages the portfolio on a discretionary basis.</p>	Refer to the SIMC Form ADV Part 2A
<b>AssetMark Platform</b>	AssetMark Trust	Model Portfolios and Individual Managed Accounts	AssetMark, Inc.	IAR advises client on selection of investment solution type, including separately managed model portfolios <sup>8</sup> or individually managed accounts. AssetMark places trades based on client's selected investment solution.	Refer to the AssetMark Form ADV Part 2A

<sup>1</sup> Equity and fixed income securities are included in the portfolio through investment models ("PWP Models") provided to LPL Financial by third-party money managers. The PWP Models also may include investment company securities. Refer to the LPL Financial PWP Co-Advisory Program Brochure for more information.

<sup>2</sup> Each model portfolio is designed by LPL Financial, a third-party investment strategist or the Registrant (through its IARs) (each a "Portfolio Strategist" for purposes of MWP program). The Portfolio Strategist is responsible for selecting the securities within a model portfolio and for making changes to the securities selected.

<sup>3</sup> Each model portfolio is designed by LPL Financial or a third-party investment adviser.

<sup>4</sup> FutureAdvisor, Inc. is an investment adviser registered with the SEC and a wholly-owned subsidiary of BlackRock, Inc. For more information about FutureAdvisor, please refer to FutureAdvisor's Form ADV Part 2A.

<sup>5</sup> Each portfolio is designed by LPL Financial, or, in the future, a third-party investment strategist.

<sup>6</sup> Each portfolio is designed by your IAR. Your IAR uses software (provided to your IAR by an affiliate of Schwab) to automatically trade and rebalance your portfolio when it drifts from the targeted asset allocation by a defined amount.

<sup>7</sup> A UMA generally can include a combination of individual securities, mutual funds, ETFs, cash, models developed by the IAR, and models developed by third-party providers.

<sup>8</sup> Each portfolio is designed by AssetMark Investment Management or a third-party investment manager (collectively "Portfolio Strategists").

## • LPL Financial, LLC

### LPL Financial Sponsored Advisory Programs

The Registrant provides advisory services to clients through certain programs sponsored by LPL Financial, a registered investment adviser and broker-dealer. Below is a brief description of certain LPL Financial advisory programs available through the Registrant. For more information regarding these programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Part 2A Brochure or the applicable program's Part 2A Brochure and the applicable client agreement.

#### 1. Optimum Market Portfolios Program (OMP)

OMP is a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client authorizes LPL Financial on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. The Registrant will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. The Registrant will have discretion to select a mutual fund asset allocation portfolio designed by LPL Financial consistent with the client's investment objective. LPL Financial will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL Financial will also have authority to rebalance the account. LPL Financial sets a minimum account





value for OMP and changing account balances and minimum requirements affect whether this program is appropriate for a particular client and also affects the fee charged.

## 2. Personal Wealth Portfolios Program (PWP)

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL Financial. The Registrant will have discretion for selecting the asset allocation model portfolio based on client's investment objective. The Registrant will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL Financial will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities. LPL Financial sets a minimum account value for PWP and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and also affects the fee charged.

## 3. Model Wealth Portfolios Program (MWP)

MWP is a professionally managed mutual fund asset allocation program. The Registrant will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Registrant will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL Financial's Research Department consistent with the client's stated investment objective. LPL Financial's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected. The client will authorize LPL Financial to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL Financial to effect rebalancing for MWP accounts. The MWP program also offers model portfolios designed by strategists other than LPL Financial's Research Department. The Registrant can choose among the available models designed by LPL Financial and outside strategists. LPL Financial sets a minimum account value for MWP and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and also affects the fee charged.

## 4. Manager Access Select Program (MAS)

MAS provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. The Registrant will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL Financial. The Portfolio Manager manages client's assets on a discretionary basis. The Registrant will provide initial and ongoing assistance regarding the Portfolio Manager selection process. LPL Financial and Portfolio Managers set minimum account values for MAS, and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and also affects the fee charged.

## 5. Guided Wealth Portfolio (GWP)

GWP provides clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell open-end mutual funds and exchange-traded funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL Financial and selected for the account as described below. Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although the Registrant will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the GWP Program (the "Educational Tool") is provided for a period of up to forty-five (45) days to help users learn about the GWP Program and determine whether they would like to become advisory clients and receive ongoing financial advice from LPL Financial, FutureAdvisor and the Registrant by enrolling in the advisory service (the "Managed Service"). The Educational Tool and Managed Service are described in more detail in the GWP



Program Brochure and clients should thoroughly review the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or the Registrant, do not enter into an advisory agreement with LPL Financial, FutureAdvisor or the Registrant, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

LPL Financial sets minimum account values for GWP and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and affects the fee charged.

#### LPL Financial Fees, Compensation, and Conflicts of Interest

The account fee charged to the client for each LPL Financial advisory program is negotiable, and is subject to maximum fees set by LPL Financial. Account fees are payable quarterly in advance.

LPL Financial serves as program sponsor, investment adviser and broker-dealer for the LPL Financial advisory programs. The Registrant and LPL Financial share in the account fee and other fees associated with program accounts. The Master Services Agreement between LPL Financial and the Registrant dated April 1, 2011, as subsequently amended, provides that LPL make certain reimbursements to Registrant. The majority of Registrant's IARs are also registered representatives of LPL Financial ("Dually Registered Persons"). These IARs therefore also receive benefits from LPL Financial such as preferences to attend conferences, stock purchase rights, and other benefits.

Transactions in LPL Financial advisory program accounts are generally effected through LPL Financial as the executing broker-dealer. The Registrant and its IARs receive compensation as a result of a client's participation in an LPL Financial program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation can be more or less than what the Registrant would receive if the client participated in other programs, whether through LPL Financial or another sponsor, or paid separately for investment advice, brokerage and other services.

**Please Note:** Private Trust Company, N.A. affiliation with LPL. LPL Financial is affiliated with Private Trust Company, N.A., a trust company licensed in all 50 states under a national bank charter ("PTC"). To the extent that a client elects to utilize LPL Financial as his or her custodian, LPL Financial will direct client's IRA assets to be held at PTC. As such, clients can incur an Annual IRA maintenance fee charged by PTC. Any Annual IRA maintenance fees incurred by the client shall be in addition to the Registrant's Program fee.

#### • **Fidelity Brokerage Services LLC**

##### Fidelity Separate Account Network

The Registrant provides advisory services with Fidelity Brokerage Services LLC ("Fidelity") as the custodian through Fidelity's Separate Account Network program ("SAN Program"), a unified platform for managed portfolios. The SAN Program enables the Registrant and its IARs to build separately managed account portfolios from a vast network of managers ("SAN Managers") to meet client needs which will be managed by designated SAN Managers on a discretionary basis.

The Registrant and client together determine which SAN Managers to engage. Clients will receive confirmations and statements reflecting all transactions in their account. However, in no circumstances shall the Registrant or its IARs have the discretionary authority to close the account or withdraw funds or securities, with the exception of the Registrant's advisory fees on a quarterly basis.

Clients should refer to the brochure, client agreement and other account paperwork for each investment program for more detailed information about the services available under the program. The minimum investment required by each individual SAN Manager must be met. Please refer to the SAN Manager's Part 2A Brochure or comparable disclosure document provided to you by your IAR.

#### Fidelity Fees, Compensation, and Conflicts of Interest

Certain managers participating in the SAN Program require an additional client advisory agreement with the client



in addition to the agreement the client signs with the Registrant. For a complete description of the services offered, the programs, the fees charged and minimum account requirements, please refer to the separate disclosure brochure (such as Part 2A of Form ADV) maintained by the SAN Manager as provided by your IAR.

Clients should carefully review these additional disclosure brochures for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the money manager's potential conflicts of interest.

- **Charles Schwab & Co., Inc.**

*Schwab Institutional Intelligent Portfolios*

The Registrant provides automated portfolio management services through Institutional Intelligent Portfolios ("IIP"), a technology and service platform made available to Registrant's IARs by Schwab Performance Technologies ("SPT"), an affiliate of Charles Schwab & Co., Inc. ("CS&Co"). Utilizing the IIP Program, the Registrant offers clients a range of investment strategies that the Registrant has constructed and manages, each consisting of a portfolio of exchange traded funds ("ETFs") or mutual funds (collectively "Funds") and a cash allocation (a "Portfolio"). The client can instruct the Registrant to exclude up to three Funds from their portfolio. The client's portfolio is held in an brokerage account opened by the client with CS&Co, a registered broker-dealer that provides custody, trading and support services for client accounts in the IIP program.

The Registrant is independent of and not owned by, affiliated with, or sponsored or supervised by CS&Co, SPT or their affiliates (collectively "Schwab"). The Registrant, and not Schwab, is the client's investment adviser and primary point of contact with respect to the IIP program. The Registrant is solely responsible, and Schwab is not responsible, for determining the appropriateness of the IIP program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis.

The Registrant has contracted with CS&Co to provide Registrant and its IARs with the technology and service platform and related trading and account management services for the IIP program. This platform enables the Registrant to make the IIP program available to clients online and includes a system that automates certain key parts of Registrant's investment process (the "Schwab System").

The Schwab System includes an online questionnaire that helps the Registrant determine the client's investment goals, time horizon and risk profile. The client will then receive Registrant's recommendation of a Portfolio based on client's answers. The client will either accept that recommendation or request that client's Portfolio be made one level more or less risky than the recommendation. The client will then open and fund a brokerage account online with CS&Co, in which the client's Portfolio will be held. However, investment of the client's account will be pending Registrant's final selection of the client's Portfolio. After final Portfolio selection, Registrant will utilize the Schwab System to manage the client's Portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

*Schwab Fees, Compensation, and Conflicts of Interest*

The Registrant's fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to Schwab as part of the IIP program. However, Schwab receives revenue from the underlying assets in client accounts in the IIP program. This revenue comes from Schwab managing the Funds and providing services related to certain third-party funds that can be selected for the Portfolios and from the cash feature on the accounts. Revenue may also be received by Schwab from the market centers where fund trade orders are routed for execution.

The Registrant does not pay SPT fees for the IIP program as long as it maintains \$100 million in client assets in accounts at CS&Co. that are not enrolled in the IIP program. If the Registrant does not meet this condition, then the Registrant pays SPT an annual licensing fee of 0.10% (10 basis points) on the value of its clients' assets in the IIP program. This fee arrangement gives the Registrant an incentive to recommend or require that clients with accounts not enrolled in the IIP program be maintained with CS&Co.

Clients should carefully review account opening agreements, documents and other disclosures provided by Schwab



for important and specific details in connection with the IIP program including, among other things, fees and disclosure of Schwab's potential conflicts of interest.

- **TD Ameritrade Inc.**

*TD Ameritrade Institutional Advisor Program*

The Registrant participates in the institutional advisor program (the "TD Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions.

Through the TD Program, the Registrant offers unified managed accounts ("UMAs") wherein IARs advise clients on an asset allocation portfolio that can include individual equity and fixed income securities, mutual funds, ETFs, options, cash, model portfolios developed by the IAR, and model portfolios developed by a third-party provider. The TD Program makes available model portfolios offered by Envestnet Portfolio Solutions, Inc. ("Envestnet"), an unaffiliated third-party investment adviser registered with the SEC. Envestnet's model portfolios can include investments in proprietary ETFs of Envestnet. For more information regarding Envestnet's offerings, please see the Envestnet Form ADV Part 2A or contact our Chief Compliance Officer.

*TD Ameritrade Fees, Compensation, and Conflicts of Interest*

The Registrant's fees are not set or supervised by TD Ameritrade. Clients do not pay brokerage commissions or any other fees to TD Ameritrade as part of the TD Program. However, the Registrant receives some benefits from TD Ameritrade through its participation in the TD Program.

There is no direct link between Registrant's participation in the TD Program and the investment advice it gives to its clients, although Registrant receives economic benefits through its participation in the TD Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Registrant participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and compliance, marketing, research, technology, and practice management products or services provided to Registrant by TD Ameritrade and/or third party vendors without cost or at a discount. TD Ameritrade may also have paid for business consulting and professional services received by Registrant's related persons. Some of the products and services made available by TD Ameritrade through the TD Program may benefit Registrant but may not benefit its client accounts. These products or services may assist Registrant in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Registrant manage and further develop its business enterprise. The benefits received by Registrant or its personnel through participation in the TD Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Registrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Registrant's choice of TD Ameritrade for custody and brokerage services.

- **SEI Private Trust Company**

*Independent Advisor Solution by SEI*

The Registrant participates in the Independent Advisor Solutions by SEI (the "IAS"), a core business unit of SEI Investments Company, a publicly held company. IAS provides investment management and investment processing platforms to affluent investors through a network of independent registered investment advisors, financial planners,



and other investment professionals ("Independent Advisors") in the United States. In addition to the integrated platform of services, IAS also provides Independent Advisors (such as the Registrant) with access to SEI Investment Management Corporation's ("SIMC") investment products and managed account program for use with their end clients. SIMC is an investment adviser registered with the SEC. SEI Private Trust Company ("SPTC") services as custodian for the IAS program.

Through IAS, the Registrant makes available to clients the SEI asset allocation models, a managed account solution, and sub-advisory services provided by SIMC or a third-party investment manager ("Sub-Advised Programs").

- *SEI Asset Allocation Models* - In this models-based program, Clients of Independent Advisors are able to purchase proprietary SEI mutual funds or SEI-managed ETFs in a manner intended to follow SIMC-developed model investment portfolios. SIMC does not have an investment advisory relationship with the client in this program. The Registrant manages the client's model portfolio investments on a discretionary basis.
- *Sub-Advised Programs* - In the Sub-Advised Program, the Registrant can hire SIMC to provide certain discretionary sub-advisory services to the Registrant in connection with the Registrant's clients. SIMC does not have an investment advisory relationship with the client in this program. Equity trades are executed using SEI Investments Distribution Co. ("SIDCO"), SIMC's affiliated broker-dealer.

#### SEI Fees, Compensation, and Conflicts of Interest

The Registrant's fees are not set or supervised by SIMC, SPTC, or their affiliates. In the SEI Asset Allocation Models, clients pay the Registrant's wrap fee and SPTC's custodial platform fee. In the Sub-Advised Programs, clients pay the Registrant's wrap fee which takes into consideration the fee charged to the Registrant by SIMC for its sub-advisory service, equity trade execution by SIDCO, and any advisory services of third-party investment managers hired by SIMC.

Clients should carefully review account opening agreements, documents and other disclosures provided by SIMC and its affiliates for important and specific details in connection with the IAS program including, among other things, fees and disclosure of SIMC's and its affiliates' potential conflicts of interest.

#### • **AssetMark Trust**

##### AssetMark Platform

The Registrant has entered into an agreement with AssetMark, Inc., an investment adviser registered with the SEC, to access the AssetMark Platform for Registrant's clients. Through the Platform, AssetMark makes available two general solution types:

- *Model Portfolios* – Client accounts are allocated among securities and other investment vehicles on a non-discretionary basis pursuant to Model Portfolios provided by "Portfolio Strategists" (also referred to as "Model Providers"). Model Portfolios include mutual fund and ETF investment strategies and separately managed accounts ("SMA"). SMA Model Portfolios are allocated among securities and other investment vehicles in accordance with the model and are typically selected for a specific asset class. AssetMark will serve as the Overlay Manager with regard to SMA accounts, as described in the AssetMark Form ADV Part 2A.
- *Individually Managed Accounts ("IMA")* – The client account is managed and individual client account trades are implemented on a discretionary basis by a discretionary manager. For some IMAs, AssetMark serves as the discretionary manager; for others, a third-party manager serves as discretionary manager and AssetMark has no role in trading for the IMA.

#### AssetMark Fees, Compensation, and Conflicts of Interest

In order to participate in the Platform, the client and the Registrant will enter into a client agreement that outlines the services to be performed by the Registrant, the authority of the Registrant, the compensation payable by the





client, and other important provisions governing participation in the Platform. The Registrant's fees are not set or supervised by AssetMark.

Clients should carefully review account opening agreements, documents and other disclosures provided by AssetMark for important and specific details in connection with the AssetMark Platform including, among other things, fees and disclosure of AssetMark's potential conflicts of interest.

- **Other Custodian Program Disclosures**

In addition to the Custodian Programs available to Registrant's clients, the Registrant at times also refers advisory clients to other investment advisory programs not associated with any of the programs described above. These instances are rare but can occur if the client's needs require an additional strategy. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective has regarding any conflict of interest associated with an investment advisory program.

**Please Note:** If a client serviced by a Dually Registered Person chooses to utilize a custodian other than LPL Financial, LPL Financial must provide its approval. If approved, the client can be serviced but the client's Dually Registered Person would incur an oversight fee due to LPL Financial where the Dually Registered Person is placing trades for the account. The oversight fee is equal to 5 basis points (0.05%) of the assets under management in the account. Although this oversight fee is not directly charged to the client, the client's Dually Registered Person will factor in the cost of the oversight fee when determining the advisory fee charged to the client.

### **THIRD PARTY ASSET MANAGEMENT PROGRAMS ("TAMPS")**

The Registrant recommends or selects other investment advisers for its clients generally through Third Party Asset Management Programs ("TAMPS"). LPL Financial makes available advisory services and programs of third party investment advisors. Through these TAMPS, the Registrant's IARs provide ongoing investment advice to clients that is tailored to the individual needs of those clients. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and risk tolerance and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR is available to assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. It is the third party investment adviser (and not Registrant's IARs) that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. The brochure for the particular TAMP will explain whether clients can impose restrictions on investing in certain securities or types of securities. In particular, the Registrant currently offers advisory services through TAMPS sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, Morningstar Managed Portfolios, SEI Investments Management and Symmetry Partners LLC. Clients should refer to the brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program.

### **CO-ADVISORY, REFERRAL, AND SOLICITOR SERVICES**

The Registrant and its IARs act as referral agents or solicitors on behalf of certain third party investment advisers pursuant to a referral or solicitor agreement. Currently, the Registrant's IARs provide the referred client a disclosure statement regarding the role of the Registrant and its IARs as a referral agent or solicitor, and the client engages the third party investment adviser for advisory services. Please see Item 14 from the ADV 2A Brochure for more information about these referral services and the related compensation.

### **ADDITIONAL INFORMATION**

- **Fee Differentials:** In certain circumstances, the Registrant can agree with a client that the Registrant can charge a different wrap fee (higher or lower) based upon certain criteria (i.e., complexity of the





engagement, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, anticipated level and scope of other services to be provided (i.e. financial planning services), negotiations with client etc.).

- **Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Advisers Act.
- **Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. An additional fee for the current quarter will be assessed if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter during which the service will be in effect. No portion of the fee will be credited to the client for the current calendar quarter should any withdrawals from the portfolio occur in the same calendar quarter. However, if a client withdraws assets from the portfolio during the current quarter, the Registrant will credit the client's account in the following quarter (or disburse funds to client in the event the account is closed), prorated based on the number of calendar days remaining in the quarter in which the assets were withdrawn.
- **Non-Investment Consulting/Implementation Services:** If requested by the client, the Registrant can provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Please refer to the 2A Brochure for more information on these services, roles, and any potential conflicts.
- **Inverse/Enhanced Market Strategies:** The Registrant utilizes leveraged long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client can direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.
- **Non-Discretionary Service Limitations:** Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot effect any account transactions without obtaining prior verbal consent from the client for each transaction. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.
- **Trade Error Policy:** Registrant reimburses accounts for losses resulting from the Registrant's trade errors, but does not credit accounts for such errors resulting in market gains. When applicable, the gains and losses are reconciled within the Registrant's custodian firm account and the Registrant or the custodian retains the net gains and losses.
- **Securities Based Loans and Margin Loans:** Clients can have the opportunity to utilize margin loans in their investment accounts and be offered the opportunity to obtain loans or lines of credit based on or secured by the assets held in their investment accounts. When the Registrant charges a fee based directly or indirectly on the amount of assets under management in an investment account, the Registrant and its IARs have an incentive to maintain a high level of assets in those accounts, and the Registrant and its IARs have a conflict of interest when they advise a client to utilize a margin loan or a securities based loan or assist the client to obtain such a loan for some specific purpose, rather than advising the client to or assisting the client with withdrawing funds from such an investment account for that specific purpose.
- **Calculation of Advisory Fees Includes Cash Assets:** The Registrant calculates advisory fees on all assets placed



under its management, including cash held in advisory accounts. Clients can consent to asset allocations that include certain amounts being held as cash for short or long-term reasons, or can direct that assets be held in cash based on personal risk tolerance or market conditions. The Registrant will calculate advisory fees based on total assets in advisory accounts, and all clients and prospective clients should be guided accordingly. Holding large cash balances for more than six months is not an effective investment strategy and the Registrant discourages clients from using investment accounts in this manner.

- **Nontradable Assets in Advisory Accounts:** In order to address a client's specific situation, the Registrant can recommend nontradable assets be purchased in an advisory account. Nontradable assets such as annuities or structured products are appropriate for certain client needs. The client would not be charged commissions for such investment products, but these products would be subject to the advisory fees calculated based on assets in the accounts. The amount of such assets in a particular account would be limited to a proportion that would not impair the ability of the Registrant to allocate the assets in the account.
- **Ticket Charges/Ticket Fees:** There are conflicts of interest to consider in connection with the selection of mutual funds and a specific transaction cost commonly known as ticket charge or ticket fee associated with each mutual fund transaction. Clients do not pay any ticket charges in their Program accounts and TAMP wrap fee program accounts, but IARs pay these ticket charges to the custodian where the trades occur for each client account.

As background, custodians often make available mutual funds that offer various classes of shares. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes (collectively, "institutional shares" or "institutional share classes") typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. In some instances, a mutual fund offers only Class A Shares, but another similar mutual fund may be available that offers institutional shares.

Whether a mutual fund or a specific share class of a mutual fund incurs a ticket charge often depends on whether the mutual fund or the mutual fund share class has 12b-1 fees (fees paid by the mutual fund to distributors of the funds to cover the cost of distribution and/or shareholder services). For instance where a mutual fund or mutual fund share class has 12b-1 fees can correlate with no ticket charge. Additional fees that could have an impact on whether a mutual fund or mutual share class have a ticket charge or not also include recordkeeping fees to the custodian. Mutual funds and mutual fund share classes with no ticket fees (which can be described as NTF shares) usually have higher fees and expense ratios, and the associated costs would be incurred by the client. Mutual funds and mutual fund shares with ticket fees (which can be described as TF shares) usually have lower fees and expenses, which would lessen the associated fees and expense costs on the client.

As noted above, IARs, not the Registrant, pay these ticket charges with respect to client Program accounts and TAMP wrap fee program accounts. However, in the unlikely event of an IAR failing to make payment to the Custodian, the Registrant can be contractually responsible for the unpaid ticket charges. Clients should understand that the cost to IARs of transaction charges can be a factor that influences IARs when deciding which securities to select and how frequently to place transactions in these accounts. Client should understand that another investment adviser may offer the same mutual fund at a lower overall cost to the investor than is available through the custodial platforms with which the Registrant has relationships.

The Registrant has a policy that IARs recommend the lower cost share class reasonably available at the time through the custodian where a client account is located. Furthermore, the Registrant conducts surveillance to test this policy and maintains a process to reasonably conduct conversions to the lower cost share class, where applicable and possible depending on availability with an individual custodian.

We strongly encourage you to discuss with your IAR whether lower cost share classes are available with a particular custodian or a particular managed account program; why the particular funds or other investments that will be purchased or held in your account are appropriate for you in consideration of their expected holding



period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged; whether you will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance; and relevant tax considerations.

- **Termination of Advisory Relationship:** The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Following receipt of notice of termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- **Client Responsibilities:** In performing any of its services, the Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon.

Furthermore, unless the client indicates to the contrary in writing, the Registrant shall assume that there are no restrictions on its services, other than to manage the account in accordance with the client's designated investment objective.

#### 401(K) PLAN PARTICIPANTS CONSIDERING AN IRA ROLLOVER

A participant in a qualified employer sponsored retirement plan ("Employer Retirement Plan") can roll those assets over into an Individual Retirement Account ("IRA"). Plan participants are encouraged to consider the advantages and disadvantages of an IRA rollover from their existing Employer Retirement Plan. A plan participant leaving an employer typically has four non-exclusive options:

- a. Leave the money in the former Employer Retirement Plan, if permitted;
- b. Transfer the assets to the new employer's plan, if one is available and if rollovers are permitted;
- c. Rollover the assets to an IRA;
- d. Cash out (or distribute) the assets and pay the taxes due.

Investors usually face increased fees when they transfer retirement savings from their current Employer Retirement Plan to an IRA. Investors should be aware that even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration and investment management. In addition to the fees charged by the Registrant or another advisor, the underlying investment products (mutual fund, ETF, annuity, or other investment) typically also charge management fees. Custodial fees also apply. Investing through an IRA managed by the Registrant is more expensive than the current Employer Retirement Plan.

Prior to electing to rollover assets from the current Employer Retirement Plan to an IRA, an investor should consider:

- a. The type of account investment management desired. For example, is assistance in the management of investments desired on a discretionary or non-discretionary basis; or is a self-managed account preferred.
- b. Available investment choices.
- c. The professional assistance available to participants in the current Employer Retirement Plan when compared to the advisory services offered by the Registrant in an advised IRA account.
- d. The cost of advisory fees.
- e. Management expenses associated with the underlying investments in an IRA advisory account in comparison to the underlying investment expenses associated with the current Employer Retirement Plan. Often, the management expenses in the current Employer Retirement Plan are less expensive than in a rollover IRA advisory account.
- f. Custodial charges in the advised IRA account in comparison to the current Employer Retirement Plan.



- g. Transaction charges associated with the advised IRA in comparison to the current Employer Retirement Plan.
- h. The rules pertaining to the required minimum distributions ("RMD") in the current Employer Retirement Plan when compared to the advised IRA.
- i. Legal protections afforded to current Employer Retirement Plan participants in comparison to rollover IRA account owners. Employer Retirement Plans have significant liability protection.
- j. The rules pertaining to beneficiaries of an IRA in comparison to the current Employer Retirement Plan (inherited accounts).
- k. The loan provision associated with the current Employer Retirement Plan, if any. IRA accounts do not have loan provisions.
- l. Employer Retirement Plans available from a new employer.

Clients and prospective clients are encouraged to consult with an accountant, a tax advisor, the plan administrator and/or legal counsel prior to rolling over assets from the current Employer Retirement Plan to an advised IRA with the Registrant.

**Please Note:** Investment Performance: As a condition to participating in the Program, the participant **must** accept that past performance cannot be indicative of future results, and understand that the future performance of any specific investment or investment strategy (**including** the investments and investment strategies purchased through or undertaken by the Registrant) **cannot**: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance levels or any other performance levels.

#### B. WRAP FEE COMPARED TO UNBUNDLED SERVICES

The Registrant's Program fee includes typical securities trading costs incurred in connection with the discretionary investment management services provided by the Registrant. Whether the fees are paid in advance or arrears depends on the agreement between the client and the Registrant and subject to the limitations of the custodian of the client's account, and/or the terms of the investment advisory agreement. Clients engaging the Registrant under a wrap fee program will typically pay a higher overall investment advisory fee but will not be responsible for securities transaction fees for their accounts. Clients should discuss the expected level of trading in the Client's account[s] to determine whether to engage the Registrant under a wrap fee program or pay for securities transaction fees separately. Depending on (among other things) transaction volume and nature, choosing a wrap fee program may not reduce the expenses that client may incur in comparison to the expenses of other programs or non-wrap fee offerings. Fees can be negotiable at the sole discretion of the Registrant.

#### C. ADDITIONAL FEES INCURRED BY CLIENT

The Program's wrap fee **does not** include certain charges and administrative fees, including, but not limited to, fees charged by unaffiliated independent investment managers ("Independent Managers"), transaction charges (excluding mark-ups and mark-downs) resulting from trades effected through or with a broker dealer other than LPL Financial, IRA Maintenance Fees, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are **in addition to** the Program's wrap fee.

In most instances, custodians charge a brokerage commission or transactional fee or an asset-based fee, and based on the investment product selected, that commission or transactional fee or asset-based fee is not identical to other commissions or fees. Other products have higher or lower or zero commissions when compared at the commission or fee level. Most custodians offer mutual funds with transactions fees and mutual funds without transaction fees. Some custodians offer commission-free ETFs.



As noted above, the Registrant participates in several advisory programs with third-parties (e.g., LPL Financial and other custodians) which charge varying levels of program fees. When a client invests through an advisory program, an investment advisory fee is deducted from the assets placed in that advisory program. The advisory program retains a portion of the program fee, and a portion of the program fee is paid to the Registrant and its IARs. The varying levels of program fees provide an incentive or disincentive for the Registrant and its IARs to participate in or to recommend a particular advisory program. The recommendation by an IAR that a client select a particular advisory program presents a conflict of interest, as the IAR's compensation provides an incentive to recommend a particular advisory program. All clients and prospective clients should be aware of these factors in selecting an advisory program and in negotiating an investment advisory fee.

#### D. ADDITIONAL COMPENSATION RELATED CONFLICTS

Registrant's related persons who recommend the Program to clients do not receive compensation as a result of a client's participation in the Program.

### Item 5 Account Requirements and Types of Clients

The Registrant works to provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an IAR will discuss with each client, their particular investment objectives and risk tolerance. The Registrant shall allocate each client's investment assets consistent with their designated investment objectives and risk tolerance.

The Registrant's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. The Registrant does not generally require an annual minimum fee or asset level for clients to open or maintain a Program account. Custodian Programs may require annual minimum fees and minimum asset levels as indicated above. Clients should refer to the Part 2A and other disclosures for the programs in which they enroll.

### Item 6 Portfolio Manager Selection and Evaluation

#### A. PORTFOLIO MANAGER SELECTION AND EVALUATION

The Registrant can allocate a portion of a client's Program assets among Independent Managers in accordance with the client's designated investment objective. In such situations, the Independent Managers shall have day-to-day responsibility for the active discretionary management of the allocated Program assets. The Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Independent Managers include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

The Registrant conducts an initial review and a limited ongoing review of Independent Managers. The ongoing review is conducted periodically and is generally limited to changes in the Independent Manager's assets under management, new or updated disciplinary disclosures, deficiencies in recent regulatory exams and any findings on recent business continuity plan test. For information on account performance reviews performed by Registrant, please refer to the "Review of Accounts" section in Item 9.

As of December 31, 2021, the Registrant managed \$ 33,909,194,912 in discretionary assets and \$ 31,437,580 in non-discretionary assets for a total of \$ 33,940,632,492 in assets under management.

#### B. RELATED PERSONS

The Registrant or one of its IARs acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant can have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program can be more than what the Registrant would receive if the client paid separately for investment management and transaction fees. As the Program sponsor, the Registrant shall be responsible for the primary management of the Program, including the





selection and termination of all Independent Managers. Once selected, Independent Managers shall be responsible for day-to-day management and selection of securities for the account.

### C. ADDITIONAL INFORMATION ON REGISTRANT AND SUPERVISED PERSONS

The Registrant's IARs serve as portfolio managers for the advisory programs as described in this Brochure and Registrant's Form ADV Part 2A Brochure. For information on the Registrant's advisory business, please consult Item 4. For information on management of wrap and non-wrap accounts, performance-based fees, side by side management, methods of analysis, investment strategies, risks of loss, and voting client securities, please see below.

#### Management of Wrap and Non-Wrap Accounts

There is no significant difference between how the Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for investment management and transaction fees (See Part 2A Item 4). The services included in a wrap fee agreement will depend upon each client's particular need. Please note: When managing a client's account on a wrap fee basis, the Registrant shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program may be more than what the Registrant would receive if the client paid separately for investment management and transaction fees.

#### Performance Based Fees and Side by Side Management

The Registrant does not charge performance-based fees.

The Registrant manages more than one client account, often with different mandates or fee structures (side-by-side management). This is a conflict of interest, as it creates a financial incentive for providing preferential treatment to one account over others in terms of allocation of management time, resources, investment opportunities, and trade execution. The Registrant mitigates this conflict of interest by adopting and implementing a Code of Ethics, by disclosing this conflict to clients, and by endeavoring to act in each client's best interest as a fiduciary. Additionally, IARs utilize similar research and resources for their client accounts and aggregate client trades whenever possible.

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

The Registrant utilizes the following methods of analysis

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
- Asset Allocation - (identifying an appropriate ratio of asset classes that are consistent with the client's investment goals and risk tolerance)

The Registrant utilizes the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)





- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

- *Market Risk.* This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- *Interest Rate Risk.* This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- *Credit Risk.* This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- *Liquidity Risk.* This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- *Issuer-Specific Risk.* This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- *Investment Company Risk.* To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- *Concentration Risk.* To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- *Sector Risk.* To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.



### Voting Client Securities

The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

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

The Registrant shall be the Program's portfolio manager. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an IAR will discuss with each client his or her particular investment objective. The Registrant shall allocate each client's investment assets consistent with his or her designated investment objective. Clients can, at any time, impose restrictions, in writing, on the Registrant's services.

As indicated above, each client is advised that it remains his or her responsibility to promptly notify the Registrant if there is ever any change in his or her financial situation or investment objectives for the purpose of reviewing or evaluating or revising Registrant's previous recommendations and services. To the extent the Program utilizes Independent Managers, the Registrant shall provide the Independent Managers with each client's particular investment objective. Any changes in the client's financial situation or investment objective reported by the client to the Registrant shall be communicated to the Independent Managers within a reasonable period of time.

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

There are no restrictions on a client's ability to contact and consult with Registrant or its IARs. Clients always have direct access to Registrant's IARs.

### **Item 9 Additional Information**

#### **A. DISCIPLINARY INFORMATION AND OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.**

##### **• Disciplinary Information**

Below is a summary of Registrant's material legal and disciplinary events during the last ten years. As of the date of this Brochure, there are no such reportable events for Registrant's senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to Registrant's clients.

### Securities and Exchange Commission

On July 21, 2022, pursuant to a settlement, in which the Registrant neither admitted or denied to the findings, the SEC issued an administrative order ("the Order") that found, among other things, the Registrant failed to provide full and fair disclosure regarding the conflicts associated with share classes with no transaction fees, or NTF shares, in wrap accounts. The Order found that the Registrant did not fulfill its duty of care and other obligations in connection with the conflict. The Order also found that the Registrant had not adopted and implemented written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund selection practices in its wrap program and the related disclosures of its associated conflicts of interest. The Order includes findings that Registrant violated Section 206(2) of the Advisers Act, as well as Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. These are not scienter-based violations. As part of the settlement, the Registrant agreed to pay a civil penalty of \$5.8 million, to be disbursed to affected investors, along with other undertakings.

As further highlighted in the Order, in 2017 the Registrant proactively instituted a policy as a remedial measure that mitigated the conflict. The full text of the order is available here. <https://www.sec.gov/litigation/admin/2022/ia->



[6069.pdf](#).

State of Pennsylvania

The Registrant paid a \$20,000 administrative penalty in 2017 to the Pennsylvania Department of Banking and Securities for employing an IAR in the state who was not registered with the state.

• **Other Financial Industry Activities and Affiliations**

PAG Financial, LLC is a FINRA registered broker-dealer, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of PAG Financial, LLC. PAG Financial, LLC does not have any retail or institutional customers, and does not serve as custodian for any investment assets.

Private Advisor Network, LLC is an SEC-registered investment adviser, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of Private Advisor Network, LLC. Private Advisor Network, LLC does not have any retail or institutional customers, and is not currently providing advisory services.

Certain of the Registrant's IARs are Dually Registered Persons with LPL Financial, LLC. LPL Financial is an SEC-registered and FINRA member broker-dealer that is independently owned and operated and is not affiliated with the Registrant. Please refer to Item 12 of Registrant's Form ADV, Part 2A for a discussion of the benefits that Dually Registered Persons can receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

The Registrant, its management persons, and its IARs, are not registered (and does/do not have an application pending to register) as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the same.

Registrant's IARs' Other Financial Industry Activities and Affiliations

- **Registered Representatives of LPL Financial.** Clients can choose to engage Registrant's Dually Registered Persons in their individual capacities as registered representatives of LPL Financial, to implement investment recommendations on a commission basis.
- **Licensed Insurance Agents.** Certain of Registrant's IARs, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Registrant's IARs to purchase insurance products on a commission basis.
  - **Conflict of Interest:** The recommendation by Registrant's IARs that a client purchase a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission-based products from Registrant's IARs. Clients are reminded that they can purchase investment products recommended by Registrant through other, non-affiliated broker-dealers or insurance agents. *The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.*
- **Licensed Attorneys.** Certain of Registrant's IARs are licensed attorneys and may, in their individual capacities, provide legal services to Registrant's clients. To the extent that a client specifically requests legal or estate planning services, the Registrant can recommend the services of an attorney, including certain of Registrant's IARs in their individual capacities as licensed attorneys. Any such legal services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and the attorney. The Registrant shall not receive any of the fees charged by the attorney, referral or otherwise. *The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.*
- **Employees or Affiliates of Banks.** Certain of Registrant's IARs are employees or affiliates of banks, and can



recommend the use or purchase of certain bank products or services.

- **Conflict of Interest:** The recommendation by these IARs that a client use or purchase of certain bank products or services presents a conflict of interest, as a bank employee may have an incentive based on his employment to recommend the use or purchase of certain bank products or services rather than on a particular client's need. No client is under any obligation to use or purchase of any bank products or services. Clients are reminded that they may patronize any bank and are not required to use or purchase any banking products or services recommended by the IAR. In addition, a IAR's employment by a bank does not mean that investments made through him are deposits with the bank, or obligations of the bank or are guaranteed by the bank or any governmental agency. Investments are subject to investment risks, including possible loss of the principal amount invested. *The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.*
- **Other Investment Adviser Firms.** Certain of Registrant's IARs also serve as investment adviser representatives of other registered investment advisors. These IARs may refer certain clients to those other investment advisers for advisory services.
  - **Conflict of Interest:** The recommendation by these IARs that a client engage the investment advisory services of another investment adviser presents a conflict of interest, as these IARs may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of another investment advisor. *The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.*
- **Real Estate Broker or Dealer.** Certain of Registrant's IARs also serve as real estate brokers or dealers or as owners or investors in real estate investments. These IARs may recommend the purchase, sale, rental of or investment in real estate.
  - **Conflict of Interest:** The recommendation by these IARs of the purchase, sale, rental of or investment in real estate Such advice presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend real estate based on commissions to be received, rather than on a particular client's need. In addition, holding an ownership interest in real estate investment being offered to a client also presents a conflict of interest. No client is under any obligation to purchase or rent any real estate from or invest in real estate with these IARs. Clients are reminded that they may purchase or rent any real estate recommended by these IARs through other real estate agents, and that they may invest in other real estate ventures. *The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.*
- **Accountants and Certified Public Accountants.** Certain of Registrant's IARs are accountants, Certified Public Accountants and/or Enrolled Agents. To the extent that these IARs provide accounting services (which may include tax advice) to any clients, including clients of the Registrant, all such services shall be performed by those IARs in their individual professional capacities, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by the IAR (referral or otherwise). It is expected that these IARs, solely incidental to their practices as accountants, may recommend the Registrant's services to certain of their clients. No client of Registrant is under any obligation to use the accounting services of these IARs. *The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.*

#### IARs' Brochure Supplements

Registrant's IARs are required to provide clients with a current Form ADV Part 2B ("Brochure Supplement"), which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, additional compensation, and supervision. Please contact the Registrant or your IAR if you did not receive your IARs Brochure Supplement. Clients also may obtain additional information about Registrant's IARs, such as



licenses, employment history, their regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from the SEC at [adviserinfo.sec.gov](https://adviserinfo.sec.gov). To determine whether any of the Registrant's IARs servicing a client's accounts are engaged in any activities that may create a conflict of interest, clients should review the Brochure Supplements for those IARs. Clients of the Registrant have their primary contact with the IAR of the Registrant who brings them onboard as a client. The IAR may recruit the client while with the Registrant, or may have recruited them while the IAR was affiliated with a previous broker-dealer or registered investment advisor, and induced the client to continue that relationship with the IAR when the IAR became affiliated with the Registrant. IARs of the Registrant have made individual decisions to affiliate with the Registrant. Because each affiliation decision was made solely based on the business determination of the individual IAR and client, the Registrant may be limited in its ability to negotiate fees, etc., on behalf of its clients.

#### Other Wrap Programs

In addition to the wrap fee programs discussed in this Brochure, the Registrant also sponsors WealthSuite. Clients can obtain a brochure for the WealthSuitewrap fee program by visiting <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or contacting our Chief Compliance Officer.

#### **B. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING; REVIEW OF ACCOUNTS; CLIENT REFERRALS AND OTHER COMPENSATION, AND FINANCIAL INFORMATION.**

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

The Registrant has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that applies to all supervised persons of the Registrant, including IARs. Among other things, Registrant's Code of Ethics serves to establish, maintain and enforce (i) a standard of business conduct for all of Registrant's supervised persons that is based upon fundamental principles of openness, integrity, honesty and trust; (ii) compliance by Registrant's supervised persons with Federal securities laws; and (iii) an investment policy relative to personal securities transactions of Registrant's access persons. A copy of the Code of Ethics, which is part of Registrant's Compliance Manual, is available upon request.

In accordance with Section 204A of the Advisers Act, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and its IARs at times buy or sell securities that are also recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. We address these practices in our Code of Ethics specifically and policies and procedures generally. Policies and procedures address practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation), detecting insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's Access Persons, that is persons who have access to its nonpublic information. The Registrant's securities transaction policy requests that an Access Person of the Registrant provides the Chief Compliance Officer or his designee with access to their current securities holdings as part of the process of becoming an Access Person. Additionally, each Access Person provides the Chief Compliance Officer or his designee with an electronic submission that is akin to a report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.





The Registrant can buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

- **Review of Accounts**

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant and its IARs. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. Part of the periodic reviews include whether the client's account type remains in the best interest of the client and, if not, the client can be switched to an account with a different fee structure and investment options.

All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant conducts account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request. A client can request a meeting with their IAR at any time.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian, and from the Registrant in its capacity as program sponsor. The Registrant may also provide a written periodic report summarizing account activity and performance.

- **Client Referrals and Other Compensation**

As referenced above, the Registrant receives an indirect economic benefit from LPL Financial. The Registrant, without cost (and/or at a discount), receives certain support services and/or products from LPL Financial. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at LPL Financial as a result of this arrangement. There is no corresponding commitment made by the Registrant to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. Other custodians also provide similar indirect economic benefits, support services and products, and do not require higher payments or fees or minimums. The Registrant's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant pays that solicitor a referral fee in accordance with the requirements of the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure document and with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

If the Registrant introduces a client to another investment adviser or an investment manager, the Registrant is usually paid a referral fee in accordance with the requirements pursuant to regulation under the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid according to a fee disclosure statement provided to the client at the time that the referral is made. When the Registrant is acting as an unaffiliated source of referral, the Registrant, at the time of the referral, shall disclose the nature of its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure documents and with a copy of a written disclosure statement disclosing the financial terms of the arrangement between the Registrant and the investment adviser or investment manager receiving the referral, including the compensation to be received by the





## Registrant.

Registrant has joint marketing agreements with banking institutions such as banks, trust companies, and credit unions. If a client is introduced to the Registrant by a banking institution as a result of these joint marketing agreements, Registrant shares a portion of its investment management fee with that banking institution in accordance with the requirements under the Advisers Act, and other federal and state securities law requirements. Shared fees shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. At the time that the client is introduced to the Registrant by a banking institution, the banking institution shall disclose the nature of its relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure document and with a copy of the written disclosure statement disclosing the terms of the arrangement between the Registrant and the banking institution, including the compensation to be received by the banking institution from the Registrant. Clients should be aware that, even though a banking institution has referred the client to Registrant, any investments managed by the Registrant are not deposits with the banking institution, are not guaranteed by the banking institution, are not guaranteed by any governmental entity, and are subject to the same risks as any other investments and can lose value. **Conflict of Interest:** The banking institution offers banking products and services that are not services of Registrant, and the banking institution can have a financial incentive to recommend those products and services to the client instead of introducing the client to Registrant.

**Conflicts of Interest:** The Registrant and its Dually Registered Persons have a financial incentive to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 of Registrant's Part 2A Brochure). LPL Financial also provides other compensation to the Registrant and its Dually Registered Persons, including but not limited to, bonus payments, forgivable and non-forgivable loans, stock awards and other benefits. This compensation is based on participation in advisory programs sponsored by LPL Financial and derived from advisory fees paid to LPL Financial.

The receipt of any such compensation creates a financial incentive for your IAR to recommend LPL Financial as custodian for the assets in your advisory account and as advisory program sponsor. We encourage you to discuss any such conflicts of interest with your IAR before making a decision to custody your assets at LPL Financial.

- **Financial Information**

The Registrant is not required to include its balance sheet for the most recent fiscal year.

The Registrant is unaware of any financial condition that is likely to impair its ability to meet its commitments to clients.

The Registrant has not been the subject of a bankruptcy petition.

## ANY QUESTIONS?

The Registrant's Chief Compliance Officer, James Hooks, remains available to address any questions that a client or prospective client can have regarding the above disclosures and arrangements. Should a client or prospective client have any questions, please contact Mr. Hooks at (973) 538-7010.