

# Integrity Advisory Partners LLC

11 Broadway, Suite 615  
New York, New York, 10004  
Tel: (646) 435-1506  
[info@ifpny.com](mailto:info@ifpny.com)

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## FORM ADV PART 2A - BROCHURE

*This disclosure brochure provides clients with information about the qualifications and business practices of Integrity Advisory Partners LLC, a registered investment advisory firm. Please contact Integrity Advisory Partners LLC by telephone at (646) 435-1506 if you have any questions about the contents of this disclosure brochure. The information in this disclosure brochure has not been approved or verified by the U.S. Securities and Exchange Commission or any state securities authority. Registration does not imply that Integrity Advisory Partners LLC or any individual providing investment advisory services on behalf of Integrity Advisory Partners LLC possesses a certain level of skill or training.*

*Information on the disciplinary history and the registration of Integrity Advisory Partners LLC and its associated persons is available on the Internet at [www.adviserinfo.sec.gov/IAPD/](http://www.adviserinfo.sec.gov/IAPD/). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Integrity Advisory Partners LLC is 161647.*

## **Item 2 – Material Changes**

This item discusses specific material changes to the Integrity Advisory Partners LLC disclosure brochure.

Integrity Advisory Partners LLC will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days of the close of its fiscal year, which occurs at the end of the calendar year. Integrity Advisory Partners LLC may further provide other ongoing disclosure information about material changes as necessary.

Integrity Advisory Partners LLC will also provide clients with a new disclosure brochure as necessary based on changes or new information, at any time, without charge.

Integrity Advisory Partners LLC has made the following material change to this disclosure brochure since its last annual amendment filing on March 31, 2022:

On August 1, 2023, Integrity Advisory Partners LLC transitioned its investment adviser registration from the States of New York and Maryland to the U.S. Securities and Exchange Commission.

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## Item 4 - Advisory Business

### A. The Company

Integrity Advisory Partners LLC (“Integrity” or the “firm”) is a New York limited liability company founded in 2012. From 2012 to 2023, Integrity Advisory Partners LLC has been registered with the States of New York and Maryland. In August 2023, Integrity Advisory Partners LLC became registered with the SEC.

The principal owners of Integrity are Ryan Cole and Adam Lazarus.

### B. Advisory Services

Integrity offers the following investment advisory services:

#### Investment Management Services

Integrity offers ongoing Investment Management Services based on the individual goals, objectives, time horizon and risk tolerance of each client. Investment Management Services include, but are not limited to, the following:

- Establishing an Investment Policy Statement – Integrity, in conjunction with the client, will develop a statement that summarizes the client’s investment goals and objectives along with the broad strategy[ies] to be employed to meet those objectives.
- Financial Planning – Investment Management Services includes basic financial planning, which may contain advice regarding asset allocation, the selection of investments, cash flow analysis, retirement advice, and educational planning.
- Portfolio Construction – Integrity will develop a strategic asset allocation for the client based on the client’s risk profile and investment guidelines and is intended to meet the stated goals and objectives of the client.
- Investment Management and Supervision – Integrity will provide investment management and ongoing oversight of the client’s portfolio and overall account.

Investment Management Services will be provided on either a discretionary or non-discretionary basis. For accounts managed on a discretionary basis, the client gives Integrity full authority to manage the client's assets in accordance with what Integrity deems to be in the client's best interest based on the client’s investment objective and guidelines. Clients will retain individual ownership of all securities in their accounts.

#### Financial Planning Services

If a client desires to obtain financial planning apart from the basic planning services provided as part of portfolio management services, Integrity also provides financial planning as a separate service. Integrity will typically provide a variety of financial planning services to individuals and families. Services are offered in several areas of a client’s financial situation, depending on their goals, objectives, and financial situation.

Financial planning services can be provided in one or both of the following manners:

#### *Planning*

Financial planning will involve preparing a financial plan for clients based on the client's financial goals and objectives. This planning may encompass one or more areas of need, including, but not limited to, investment planning, retirement planning, personal savings, education savings and other areas of a client's financial situation.

A financial plan developed for the client will usually include general recommendations for a course of activity or specific actions to be taken by the client. For example, recommendations may be made that the client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Integrity may also refer clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, Integrity will provide a written summary of client's financial situation, observations, and recommendations. Plans are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

#### *Consulting*

Clients can also receive financial advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. Integrity also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, Integrity provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance and/or annuity advice.

For these more limited engagements, Integrity may not provide a written summary. Recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

#### *Financial Planning Disclosures*

Should a client choose to implement the financial planning recommendations made by Integrity, Integrity may recommend its own services or that of other professionals (*i.e.*, attorney, accountant, insurance agent, and/or stockbroker). In performing its services, Integrity is not required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on such information. Clients are advised that a conflict of interest exists if Integrity recommends its own services. The client is under no obligation to act upon any of the recommendations made by Integrity under a financial planning engagement and/or engage the services of any such recommended professional, including Integrity or its investment adviser representatives. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Integrity or its investment adviser representatives. Integrity shall cooperate with any attorney, accountant, broker or other adviser chosen by the client with regard to implementation of any such recommendations.

### **C. Client Tailored Services and Client Imposed Restrictions**

Integrity's investment management services are tailored to meet the specific needs of each client. In order to provide appropriate individualized services, Integrity will work with each client to obtain information regarding the client's financial circumstances, investment objectives, overall financial condition, income and tax status, personal and business assets, risk profile and other information regarding the client's financial and investment needs.

At least annually, Integrity will review with clients their financial circumstances, investment objectives and risk profile. In order for Integrity to provide effective investment management services, it is critical that clients provide accurate and complete information to Integrity and inform Integrity anytime such information needs to be updated or anytime there is a change in their financial circumstances, investment objectives and/or risk profile.

Generally, clients are permitted to impose reasonable restrictions on investing in certain securities or types of securities in their advisory accounts, provided, however, that some restrictions may not be accommodated when utilizing Exchange Traded Funds or mutual funds. In addition, a restriction request may not be honored if it is fundamentally inconsistent with Integrity's investment philosophy, runs counter to the client's stated investment objectives, or would prevent Integrity from properly servicing client accounts. Whether clients will be able to place reasonable restrictions on the types of investments which will be made on the client's behalf is at the sole discretion of Integrity.

### **D. Wrap Fee Programs**

Under a wrap fee program, advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and transaction services (*e.g.*, execution of trades) are provided for one fee. These portfolio solutions are generally pre-configured with limited flexibility. This is different than traditional investment management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis.

Integrity does not offer clients the option of investing in a wrap-fee programs.

### **E. Assets Under Management**

As of December 31, 2022, the total amount of client assets managed by Integrity is approximately \$ 33,568,569. Of that amount, \$26,314,838 are managed on a non-discretionary basis and \$7,253,731 are managed on a discretionary basis.

## **Item 5 - Fees And Compensation**

### **A. Advisory Fees**

The following sections detail the fee structure and compensation methodology for investment advisory services. Each client shall sign the appropriate type of investment advisory agreement (*i.e.*, either an Investment Management or Financial Planning Services Agreement) that details the responsibilities of Integrity and the client.

#### **Investment Management Services**

The annual fee for Investment Management Services will be charged as a percentage of assets under management according to the following tiered fee schedule:

<b>Assets Under Management</b>	<b>Maximum Annual Fee (%)</b>
First \$100,000	2.00%
\$100,001 to \$1,000,000	1.50%
Above \$1,000,000	1.00%

Clients will be billed in advance at the beginning of each quarter based on the market value of the assets under management as of the last day of the previous quarter.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets may be adjusted or prorated based on the number of days remaining in the quarter. For the initial quarter of Investment Management Services, the initial fee shall be calculated on a pro-rata basis. Details of the Investment Management Services fee charged are more fully described in the advisory agreement entered into with each client.

### **Financial Planning Services**

Financial Planning Services fees will be charged in one of two ways:

1. As a fixed fee, typically ranging from \$5,000 to \$50,000, depending on the nature and complexity of each client's circumstances.
2. On an hourly basis, calculated on a charge ranging from \$200 to \$300 per hour. The length of time it will take to complete the advisory service will depend on the nature and complexity of the individual client's personal circumstances. An estimate for total hours will be determined at the start of the advisory relationship.

Financial Planning fees are payable in arrears upon completion of the Financial Planning Service. Details of the Financial Planning fee charged are more fully described in the advisory agreement entered into with each client.

### **B. Payment Methods**

Depending on the particular advisory service, there are two options a client may select to pay Integrity's advisory services fees. The advisory fees for Investment Management Services will be paid through direct debiting of the client's account, while the fees for Financial Planning will be billed to the client by Integrity.

#### Direct Debiting

Each quarter, Integrity will notify the client's qualified custodian of the amount of the fee due and payable to Integrity pursuant to the firm's fee schedule and advisory agreement. The qualified custodian will not validate or check Integrity's fees, its corresponding calculation or the assets on which the fee is based unless the client has retained their services to do so. With the client's pre-approval, the qualified custodian will "deduct" the fee from the client's account or, if the client has more than one account, from the account the client has designated to pay Integrity's advisory fees. Clients will be provided with a statement, at least quarterly, from the custodian reflecting deduction of the applicable fee. It is the responsibility of the client to

verify the accuracy of these fees as listed on the custodian's brokerage statement as the custodian does not assume this responsibility.

### Billing

Integrity will issue the client an invoice for the firm's Financial Planning Services in arrears or at the completion of the services, and the client will pay Integrity by check or wire transfer within ten (10) business days of the date of the invoice, or as negotiated and documented in the client's advisory agreement.

## **C. Additional Information**

### Fees Only

Integrity is compensated solely by fees paid by its clients and does not accept commissions or compensation from any other source (*e.g.*, mutual funds, insurance products or any other investment product).

### Fees Negotiable

Integrity retains the right to modify fees in its sole and absolute discretion, on a client-by-client basis. Factors considered include the complexity and nature of the advisory services provided, anticipated amount of assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, and account composition. Integrity may combine related household accounts for fee calculation purposes.

### Mutual Fund Fees and Exchange Traded Funds

All fees paid to Integrity for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds ("ETFs") to their shareholders, if applicable. These fees and expenses are described in each fund's or ETF's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (*e.g.*, custody, brokerage and account reporting), and a possible distribution fee. A client could invest in these products directly, without the services of Integrity, but would not receive the services provided by Integrity which are designed, among other things, to (i) assist the client in determining which products or services are most appropriate to each client's financial situation and objectives and (ii) determining when such buying or selling is appropriate. Accordingly, the client should review both the fees charged by the fund[s] and/or ETFs and the fees charged by Integrity to fully understand the total amount of fees to be paid by the client.

### Miscellaneous Expenses

Integrity's Investment Management Services fee with respect to each client account does not include certain other charges and expenses, including (a) brokerage charges, which are paid on a transactional basis, (b) dealer mark-ups or mark-downs on securities purchased or sold for an account through third-party dealers and (c) taxes. Please see Item 12 of this disclosure brochure for detailed information about Integrity's brokerage practices.

### Professional Fees

Fees do not include the services of any professionals engaged by a client will be billed directly by such professional(s).



### Additions and Withdrawals

Clients may make additions to and withdrawals from their accounts at any time. Additions may be in cash or securities provided that Integrity reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Integrity may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications. Clients may withdraw account assets on notice to Integrity, subject to the usual and customary securities settlement procedures. However, Integrity designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives.

### **D. Termination and Refunds**

#### Investment Management Services

A client has the right to terminate their investment advisory relationship with Integrity for any reason upon thirty (30) days prior written notice to Integrity. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to client via check or deposited back into client's account within fourteen days. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly Investment Management fee by the number of days in the termination quarter).

#### Financial Planning

If a client chooses to terminate financial planning services before they are completed, any work performed by Integrity will be billed at the agreed-upon rate.

### **E. Additional Compensation**

Integrity does not buy or sell securities for itself and does not receive any compensation for securities transactions in any client account other than the investment advisory fees noted above.

### **F. IRA Rollover Considerations**

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

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

An employee will typically have four options:

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

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

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

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a) Employer retirement plans generally have a more limited investment menu than IRAs.
  - b) Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a) If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b) You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Integrity's strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.

8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire Integrity as the manager and keep the assets titled in the plan name.

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

Integrity does not charge performance-based fees (e.g., fees based on a share of capital gains on, or capital appreciated of, the assets in a client's account).

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

### **A. Clients**

Integrity generally provides investment advisory services to individuals, including high-net-worth individuals.

### **B. Engaging the Services of Integrity**

All clients wishing to engage Integrity for advisory services must enter into the applicable advisory agreement with Integrity as well as any other document or questionnaire provided by Integrity. The advisory agreement describes the services and responsibilities of Integrity to the client. It also outlines Integrity's advisory fees in detail. In addition, clients must complete certain broker-dealer/custodial documentation. Upon completion of these documents, Integrity will be considered engaged by the client.

Each client engagement will entail a review of the client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a client's account. Integrity shall rely on the financial and other information provided by the client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the client to inform Integrity of any changes in financial condition, goals or other factors that may affect this analysis.

### **C. Conditions for Managing Accounts**

Integrity requires new clients have a minimum account size of \$1,000,000 for Investment Management Services, although Integrity retains the right to reduce or waive this minimum account size. Accounts of less than \$1,000,000 may be set up when the client and Integrity anticipate the client will add additional funds to the accounts bringing the total to \$1,000,000 within a reasonable time. Other exceptions will apply to employees of Integrity and their relatives or relatives of existing clients. Economic hardship circumstances may also be taken into consideration.

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

### **A. Methods of Analysis and Investment Strategies**

#### Methods of Analysis

The security analysis methods that may be used by Integrity and its investment adviser representatives include fundamental analysis and charting.

##### *Fundamental Analysis*

Fundamental analysis is a method of evaluating securities by attempting to measure the intrinsic value of a stock. Fundamental analysts study the overall economy and industry conditions, the financial condition of a company, details regarding the company's product line, and the experience and expertise of the company's management. The resulting data is used to measure the true value of the company's stock compared to the current market value.

##### *Charting*

Charting involves the use of patterns in performance charts that might identify favorable conditions for buying and/or selling a security. Charts of market and security activity are reviewed in an attempt to identify when the market is moving up or down and to predict how long the trend will last and when that trend may reverse.

#### Investment Strategies

Integrity will use all or some of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

##### *Long-Term Purchases*

Securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

##### *Short-Term Purchases*

Securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

##### *Trading*

Securities are purchased with the expectation that they will be sold within a very short period of time, generally less than 30 days, in an effort to capture significant market gains and avoid significant market losses during a volatile market.

##### *Option Writing*

An option is the right but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. An investment strategy utilizing option writing involves selling (writing) an option. When an investor sells (writes) an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller

receives from the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

### Sources of Information

Research and analysis from Integrity are derived from numerous sources, including annual reports, quarterly earnings reports, prospectuses, SEC filings, company news, financial and economic news, ratings agencies, and third-party research.

### Investing Involves Risk

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.
- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social, political or economic instability and the risks of expropriation, nationalization or confiscation. Investors may also face

the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.

- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing an investment manager from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Reinvestment Risk.* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.
- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.
- *Infrastructure Risks.* Infrastructure-related investments are subject to a number of unique risks. These investments may be concentrated into a small number of projects, resulting in a high degree of risk with respect to each project. Further, these investments are often subject to foreign and emerging market risks.
- *Socially Responsible Investing.* Investments may focus on "low carbon" or other areas of socially responsible investing. This investment category represents a relatively new area of investment with a relatively limited performance track record. Due to the consideration of non-monetary factors in investment decisions, these investments may

experience a lower rate of return. There may be a relatively limited number of investments to consider in this investment category, and available investments may be subject to increased competition.

- *Large Investment Risks.* Clients may collectively account for a large portion of the assets in certain investments. A decision by many investors to buy or sell some or all of a particular investment where clients hold a significant portion of that investment may negatively impact the value of that the investment.
- *Cybersecurity Risk.* The information and technology systems of Integrity and its affiliates, as well as of key service providers, including third-party vendors, central agents, exchanges, clearing houses, and other financial institutions (including the custodian), are vulnerable to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose Integrity to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While Integrity has established business continuity plans, incident responses plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which Integrity invests, which could result in material adverse consequences for such issuers and may cause a client's investment in such securities to lose value.
- *Other Catastrophic Risks.* Integrity may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. The extent of the impact of any such catastrophe or other emergency on Integrity's operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which Integrity participates (or has a material effect on any locations in which Integrity operates or on any of their respective personnel), the risks of loss could be substantial and could have a material adverse effect the ability of Integrity to fulfill its investment objectives.

- *Limitations of Disclosure.* The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

## **B. Risks Associated with Investment Strategies and Methods of Analysis**

### *Risks Associated with Investment Strategies*

#### Long-Term Purchases

Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or your particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost (e.g., “locking-up” assets that may be better utilized in the short-term in other investments).

#### Short-Term Purchases

Using a short-term purchase strategy generally assumes that the performance of the financial markets can be accurately predicted over the short-term. The risk associated with a short-term purchase strategy is that there are many factors that may affect market performance in the short-term including interest rate fluctuations, cyclical earnings, etc. Such factors may have a smaller impact over the longer-term. In addition, short-term trading may incur a disproportionately higher amount of transaction costs compared to long-term trading.

#### Trading

Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

#### Option Writing

There are numerous risks associated with transactions in options on securities or securities indexes and therefore, are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss of principal. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. For example, as the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index (e.g., the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well).

### *Risk Associated with Methods of Analysis*

Integrity's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and



other publicly available sources of information about these securities, are providing accurate and unbiased data. While Integrity is alert to indications that data may be incorrect, there is always the risk that Integrity's analysis may be compromised by inaccurate or misleading information.

### Fundamental Analysis

Fundamental analysis, when used in isolation, has a number of risks:

- Information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value.
- If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- The data used may be out of date.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- The market may fail to reach expectations of perceived value.

### Charting

The primary risk in using charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about a security and yet, day-to-day changes in the market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

## **C. Risks Associated with Specific Securities Utilized**

### Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the issuer's ability to create shareholder value (i.e., increase the value of the company's stock price).

### Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (e.g., corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.

- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

### Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

### Commercial Paper and Certificates of Deposit

Commercial Paper and Certificates of Deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

### Exchange Traded Funds (ETFs)

An ETF holds a portfolio of securities designed to track a particular market segment or index. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV.

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client’s portfolio. ETFs may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these ETFs or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF’s portfolio, may be considered “non-qualified” under certain tax code provisions.

There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units

(usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### Mutual Funds - Equity Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries.

In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client's portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

#### Mutual Funds - Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also have the same risks as set forth under "Fixed-Income Securities" listed above.

#### Mutual Funds - Index Funds

Index Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund's portfolio, may be considered "non-qualified" under certain tax code provisions.

#### Real Estate Related Securities

Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from clean up of, and liability to third-parties for damages resulting from, environmental problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents and changes in interest rates.

Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills of management, are not diversified and are subject to cash flow dependency, default by borrowers and self-liquidation.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involves a risk of loss that each client should understand and be willing to bear. Clients are encouraged to discuss these risks with Integrity's investment adviser representatives.**

### **Item 9 - Disciplinary History**

Neither Integrity nor its investment adviser representatives have any reportable disciplinary history that would be material to a client's or prospective client's evaluation of Integrity advisory business or the integrity of its management.

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

#### **A. Broker-Dealer Registration and Registered Representatives**

Integrity is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.

#### **B. Futures and Commodity Registration**

Integrity is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

#### **C. Financial Industry Affiliations**

One of Integrity's partners, Adam Lazarus is a Certified Public Accountant. From time to time, he will offer clients advice from those activities. Integrity will always act in the best interest of the client. Clients are in no way required to utilize any representative of Integrity in the individual's capacity as a CPA. Integrity does not have arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading advisor or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

#### **D. Selection of Other Advisers**

Integrity does not utilize nor select third-party investment advisers.

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

#### **A. Code of Ethics**

Integrity has adopted a Code of Ethics to prevent violations of the federal and state securities laws. The Code of Ethics is predicated on the principle that Integrity owes a fiduciary duty to its clients. Accordingly, Integrity expects all personnel to act with honesty, integrity and professionalism and to adhere to federal securities laws. All personnel are required to adhere to the Code of Ethics. At all times, Integrity and its personnel must (i) place client interests

ahead of Integrity's; (ii) engage in personal investing that is in full compliance with the Integrity's Code of Ethics; and (iii) avoid taking advantage of their position. Clients and prospective clients may request a copy of Integrity's Code of Ethics by contacting Integrity at (646) 435-1506.

## **B. Material Financial Interests**

Integrity does not recommend to clients securities in which Integrity or any related person has a material financial interest.

## **C. Investing in Same Securities as Clients**

From time to time, representatives of Integrity may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Integrity to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, the size of personal trades in individual securities or the types of investments (ETFs or Open-End Mutual Funds) that are likely to be transacted in would not have a practical impact on prices in those securities. Integrity will always document any transactions that could be construed as conflicts of interest.

## **D. Engaging in Transactions at Same Time as Client**

Integrity and/or individuals associated with Integrity may, at or about the same time, buy, sell, or hold in their personal accounts the same securities that Integrity recommends to its clients. To minimize conflicts of interest, and to maintain the fiduciary responsibility Integrity has for its clients, Integrity has established the following policy: An officer, manager, director, member or employee of Integrity shall not buy or sell securities for a personal portfolio when the decision to purchase is derived by reason of their association with Integrity, unless the information is also available to the investing public as a whole. No person associated with Integrity shall prefer his or her own interest to that of any client.

## **Item 12 - Brokerage Practices**

### **A. Brokerage Selection**

Integrity will generally recommend that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc., a FINRA-registered broker-dealer, for investment management accounts.

### Best Execution

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer's services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full

range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Integrity will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests Integrity to arrange for the execution of securities brokerage transactions for the client's account, Integrity shall direct such transactions through broker-dealers that Integrity reasonably believes will provide best execution. Integrity shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

### Broker Analysis

Integrity evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer's trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving Integrity.

Also in consideration is such broker-dealers' provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by "soft dollars", as further discussed in the "Research/Soft Dollars Benefits" section immediately below). Accordingly, if Integrity determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

Integrity's Chief Compliance Officer is responsible for continuously monitoring and evaluating the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, Integrity periodically reviews its transaction costs in light of current market circumstances and other relevant information.

### **Research/Soft Dollar Benefits**

Integrity uses Charles Schwab & Co.'s ("Schwab"), Schwab Advisor Services. There is no direct link between Integrity's use of Schwab Advisor Services and the investment advice it gives to its clients, although Integrity receives economic benefits through its participation in the program that are typically not available to Schwab retail investors.

As a user of Schwab Advisor Services, Schwab makes available to Integrity other products and services that benefit Integrity, but may not benefit its clients' accounts. Some of these other products and services assist Integrity in managing and administering clients' accounts, including:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk serving Schwab Advisor Services participants exclusively;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Ability to have investment advisory fees deducted directly from client accounts;

- Access, for a fee, to an electronic communication network for client order entry and account information;
- Receipt of compliance publications; and
- Access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Schwab Advisor Services also makes available to Integrity other services intended to help Integrity manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab Advisor Services may make available, arrange and/or pay for these types of services rendered to Integrity by independent third parties.

Additional benefits received because of Integrity's use of Schwab Advisor Services may depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc. Integrity is required to maintain a minimum level of client assets with Schwab Advisor Services to avoid a quarterly service fee. While as a fiduciary Integrity endeavors to act in its clients' best interests, Integrity's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Integrity of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage provided by Schwab which may create a conflict of interest.

## **Directed Brokerage**

### Company Directed Brokerage

Integrity does not have the discretionary authority to determine the broker-dealer to be used. As stated above, clients in need of brokerage will have Charles Schwab & Co., Inc.'s Schwab Advisor Services recommended to them. While there is no direct linkage between the investment advice given and usage of Schwab Advisor Services, economic benefits are received which would not be received if Integrity did not give investment advice to clients (please see additional disclosures in the "Research/Soft Dollars Benefits" section directly above). Integrity does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers.

Not all investment advisers require their clients to direct brokerage. Integrity is required to disclose that by directing brokerage, Integrity may not be able to achieve most favorable execution of client transactions and this practice may cost clients more money.

### Client Directed Brokerage

Certain clients may direct Integrity to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, Integrity is required to disclose that Integrity may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates Integrity might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money. Integrity reserves the right to decline acceptance of any client account that directs the use of a broker dealer if Integrity believes that the broker dealer would adversely affect Integrity's fiduciary duty to the client and/or ability to effectively service the client portfolio.

As a general rule, Integrity encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

## **B. Trade Aggregation/Allocation**

### Investment Management

Transactions for each client generally will be made independently, unless Integrity decides to purchase or sell the same securities for several clients at approximately the same time. Integrity may (but is not obligated to) combine or “batch” such orders to:

- Obtain best execution;
- Negotiate more favorable commission rates; or
- Allocate equitably among Integrity’s clients, differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to price and allocated among Integrity’s clients pro rata. In the event that Integrity determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- Allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed);
- With respect to sale allocations, allocations may be given to accounts low in cash;
- In cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Integrity may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or
- In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### Financial Planning

Integrity's financial planning and consulting practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price.



## **Item 13 - Review Of Accounts**

### **A. Periodic Reviews**

#### Investment Management Services

Client accounts are reviewed at least monthly by Ryan Cole and/or Adam Lazarus. The chief advisors are instructed to review clients' accounts with regards to their investment objectives and risk tolerance levels. All accounts at IAP are assigned to this reviewer.

#### Financial Planning Services

All financial planning and consulting accounts are reviewed upon financial plan creation and plan delivery by Ryan Cole and/or Adam Lazarus. There is only one level of review and that is the total review conducted to create the financial plan.

All reviews are conducted by one of Integrity's investment adviser representatives.

### **B. Other Reviews**

Reviews may be triggered by material market, economic or political events, cash inflow or outflow to/from the portfolio, by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance) or by request of the client.

### **C. Regular Reports**

#### Investment Management Services

Clients will receive statements from their custodian at least quarterly. Additionally, monthly statements will be generated as a result of investment activity by the client's custodian. Confirmation statements will be issued for all trading activity. Monthly and/or quarterly statements will include portfolio holdings, dates and amounts of transactions, cost basis and current and prior statement values.

#### Financial Planning Services

Financial Planning Services clients will receive a completed financial plan. Those clients to whom Integrity provides financial consulting services will receive reports from Integrity as agreed to in writing by Integrity and the client.

## **Item 14 - Client Referrals And Other Compensation**

### **A. Economic Benefits**

Integrity does not receive any economic benefits such as sales awards or other prizes from any non-client for providing investment advisory services to the firm's clients.

As stated in Item 12 - Brokerage Practices - Integrity uses Charles Schwab & Co.'s Schwab Advisor Services ("Schwab Advisor Services"). While there is no direct link between Integrity's

use of Schwab Advisor Services and the investment advice it gives to its clients, Integrity does receive economic benefits through its participation in the Schwab Advisor Services program that are typically not available to Schwab retail investors.

## **B. Client Referrals**

Neither Integrity nor any related person directly or indirectly compensates any person for client referrals.

### **Item 15 - Custody**

Custody of client assets will be maintained with the independent custodian selected by the client. Integrity will not have physical custody of any assets in the client's account except as permitted for direct deduction of advisory fees. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize Integrity to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. The account statement will also indicate the amount of advisory fees deducted from the client's account(s) for each billing period.

Clients are urged to carefully review statements received from the custodian to ensure the accurate reporting of such information.

As stated in Item 5, Investment Management Services fees will be automatically deducted from the client's account by the client's custodian (the "Custodian") quarterly in advance (as set forth in the client's Investment Management Agreement). Integrity shall send an invoice to the client's Custodian indicating the amount of the Investment Management Services fees to be deducted from the client's account at the respective quarter-beginning date.

### **Item 16 - Investment Discretion**

For those client accounts over which Integrity has discretion, Integrity requests that it be provided with written authority (*e.g.*, limited power of attorney contained in Integrity's advisory agreement) to determine the types and amounts of securities that are bought or sold. Integrity's authority in making investment-related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between Integrity and the client. Any limitations on Integrity's discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments are required to be submitted in writing.

### **Item 17 - Voting Client Securities**

#### **Proxy Voting**

Integrity does not vote proxies on behalf of its clients. Therefore, although Integrity may provide discretionary investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or

other type events pertaining to the client's investment assets. Integrity and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Clients can contact Integrity about a particular solicitation by calling Integrity at (646) 435-1506.

### **Legal Proceedings**

Although Integrity may have discretion over client accounts, Integrity will not be responsible for handling client claims in class action lawsuits, bankruptcies or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

## **Item 18 - Financial Information**

### **A. Prepayment of Fees**

Because Integrity does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, Integrity is not required to include a balance sheet with this disclosure brochure.

### **B. Financial Condition**

Integrity does not have any adverse financial conditions to disclose.

### **C. Bankruptcy**

Integrity has never been the subject of a bankruptcy petition.

## **Item 19 – Additional Information**

### **A. Privacy Notice**

Integrity views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. Integrity does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, Integrity may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. Integrity restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for Integrity. As emphasized above, it has always been and will always be Integrity's policy never to sell information about current or former clients or their accounts to anyone. It is also Integrity's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of the Integrity's Privacy Policy please contact Integrity at (646) 435-1506.

### **B. Business Continuity Plan**

Integrity has a written Business Continuity Plan (“BCP”). The BCP attempts to prepare for business disruptions of varying severity and scope. Although it is impossible to anticipate every scenario, the plan strives to enable Integrity to resume doing business even after the occurrence of events that are most likely to affect business operations.

Integrity’s policy is to respond to a significant business disruption by safeguarding employee lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, and protecting all of the firm’s books and records.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. Integrity’s intention is to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **C. Conflicts of Interest**

Integrity has reasonably disclosed all material conflicts of interest pertaining to its advisory business and associated persons in this Form ADV Part 2A.

### **D. Requests for Additional Information**

Clients may contact Integrity at (646) 435-1506 to request additional information or to submit a complaint. Written complaints should be sent to Integrity Advisory Partners LLC, 11 Broadway, Suite 615, New York, New York, 10004.