

WEALTH SOLUTIONS, INC. CROWNBRIDGE WEALTH, LLC

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Form ADV Part 2A Client Brochure

February 28, 2019

This Brochure provides information about the qualifications and business practices of Wealth Solutions, Inc. If you have any questions about the contents of this Brochure, please contact us at 512-600-9880 or via email at info@wealthsolutionsria.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Wealth Solutions, Inc. is a Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about Wealth Solutions, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Since our last annual updating amendment, we have the following change:

We have moved office locations.

The firm's new address is 1317 Picadilly Drive, Suite B-202, Pflugerville, TX 78660.

Currently, our Brochure may be requested at any time, without charge, by contacting Wealth Solutions, Inc at 512-600-9880. Additional information about Wealth Solutions, Inc is also available via the SEC's website www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as CRD number. The CRD number for Wealth Solutions, Inc is 35331. The SEC's web site also provides information about any persons affiliated with Wealth Solutions, Inc who are registered, or are required to be registered, as Investment Adviser Representatives of Wealth Solutions, Inc.

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Item 4 Advisory Business

Wealth Solutions, Inc. is a Registered Investment Adviser (“Adviser”) which offers investment advisory services. Wealth Solutions, Inc. through an affiliated entity, Crownbridge Wealth, LLC, offers financial planning and related consulting services. We are registered through and regulated by the Texas State Securities Board.

We provide investment advice through Investment Adviser Representatives (“Advisor”) associated with us. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf. In addition, all advisors are required to have a college degree, professional designation, or equivalent professional experience.

Wealth Solutions, Inc. was founded in 1993 by Richard Blair who serves as President and Chief Compliance Officer. We provide portfolio management services to individuals, high net worth individuals, and business entities. We are committed to the precept that by placing the client’s interests first, we will add value to the asset management process and earn the client’s trust and respect. We value long term relationships with our clients whom we regard as strategic partners in our business.

Services

We provide asset management services to individuals and businesses. Through our affiliate, Crownbridge Wealth, LLC, we provide financial planning and consulting services. Our focus is on helping you develop and execute plans that are designed to build and preserve your wealth.

As of 12/31/2018 we provided asset management services for 3405 accounts, managing total assets of \$60,000,000. We provided discretionary asset management services for 3225 accounts, managing a total of \$59,000,000 and non-discretionary asset management services for 180 accounts managing a total of \$1,000,000.

This amount is managed on a discretionary basis, which means you have given us the authority to determine the following with/without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account

While we may have trading discretion on your account (i.e., placing trades in your account without your approval), trading activity is generally limited to help minimize your trading costs. Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur on the schedule we have determined together. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice. However, we will work with your tax professional to assist you with tax planning. You will have the opportunity to meet with us periodically to review the assets in your account.

We offer a Wrap fee program through E*TRADE Advisory Services. Please refer to our Wrap Fee Brochure for more information.

1. Financial Planning / Consulting Services

Crownbridge Wealth, LLC, an affiliated entity, provides financial planning and consulting services for a fee. Fee based financial planning is a comprehensive relationship which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship consists of face-to-face meetings and ad hoc meetings with your other advisors (attorneys, accountants, etc.). We can provide analysis and recommendations for retirement, estate planning, income tax planning, investments, and college education planning. You can have Crownbridge create a full financial plan or select any of the individual modules.

Financial planning, including planning for retirement, as well as other financial goals such as education funding, planning for acquisition or startup of a business, or for acquiring real estate or other assets involves allocation pools of money to be invested for each goal, time horizon identified, asset allocation policy established and risk tolerance levels defined.

In performing financial planning services or consulting services we typically examine and analyze your overall financial situation, which may include any of the following wealth management issues: Investment, insurance, liabilities, qualified plans and IRA distributions, stock options, business succession planning, durable power of attorney at incapacity, gifting to children/descendants, charitable gifting during life, titling of assets, selection of executor/trustee, distribution plan at death to spouses/descendants, and charitable inclinations at death. Our services may focus on any or all of these issues depending on the scope of our engagement with you. Such issues as taxes, insurance need, overall debt, credit, business planning, retirement savings and reviewing your current investment program.

It is essential that you provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. We will discuss your investment objectives, needs and goals, but you are obligated to inform us of any changes. We do not verify any information obtained from you, your attorney, accountant or other professionals. We will work with you to create a plan that will serve as the roadmap to guide your wealth management program. We can also work with you to implement the plan and provide ongoing monitoring and updates.

We obtain information from a wide variety of publicly available sources to help us create your plan. We do not have any inside private information about any investments that are recommended. All recommendations developed by us are based upon our professional judgment and we cannot guarantee the results of any of our recommendations. You must decide what advice to follow.

If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. You are under no obligation to implement recommendations through us. You may implement your financial plan through any financial organization of your choice.

2. Asset Management

Asset management is the professional management of securities (stocks, bonds and other securities) and assets (e.g., real estate) in order to meet your specified investment goals. With an Asset Management Account, you engage us to assist you in developing a personalized asset allocation program and custom-tailored portfolio designed to meet your unique investment objectives. The investments in the portfolio account may include mutual funds, stocks, bonds, equity options, futures, etc. We generally impose a minimum \$1,000 asset level for investment advisory services.

We will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information. Based on the information you share with us, we will analyze your situation and recommend an appropriate asset allocation or investment strategy. You will be provided with a targeted strategic allocation of assets by class, as well as limited investment advice. Our recommendations and ongoing management are based upon your investment goals and objectives, risk tolerance, and the investment portfolio you have selected. We will monitor the account, trade as necessary, and communicate regularly with you. Your circumstances shall be monitored in quarterly and annual account reviews. These reviews will be conducted in person, by telephone conference, and/or via a written inquiry/questionnaire. We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary. We will be available to help you with questions about your account. You will also receive our Advisory Agreement which describes what services you will receive and what fees you will be charged.

We will:

- Review your present financial situation
- Monitor and track assets under management
- Provide portfolio statements, periodic rate of return reports, asset allocation statement, rebalanced statements as needed
- Advise on asset selection
- Determine market divisions through asset allocation models
- Provide research and information on performance and fund management changes
- Build a risk management profile for you
- Assist you in setting and monitoring goals and objectives
- Provide personal consultations as necessary upon your request or as needed

You are obligated to notify us promptly when your financial situation, goals, objectives, or needs change.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. You are responsible for any taxable events in these instances. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results.

If you decide to implement our recommendations, we will help you open a custodial account(s). The funds in your account will generally be held in a separate account, in your name, at an independent custodian, not with us. We recommend using *E*TRADE Advisory Services and Folio Institutional* however; you may use any custodian you wish. The identity of your custodian will be communicated to you before the account is opened. You will enter into a separate custodial agreement with the custodian. This agreement, among other things, authorizes the custodian to take instructions from us regarding all investment decisions for your account. We will select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The custodian will effect transactions, deliver securities, make payments and do what we instruct.

You are notified of any purchases or sales through trade confirmations and quarterly statements that are provided by the Custodian. These statements list the total value at the start of the period, itemize all transaction activity during

the period, and list the types, amounts, and total value of securities held as of the end of the period. Your statement may be in either printed or electronic form based upon your preferences. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

We are available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

3. Other Services

Variable Annuity Products and Retirement Planning

You may engage us to provide non-discretionary investment management services relative to: (1) variable annuity products you own, or (2) your individual employer-sponsored retirement plans.

In doing so, Wealth Solutions, Inc. recommends the allocation of client assets among the various mutual fund subdivisions which comprise the variable annuity product or the retirement plan. For these services, with respect to variable annuity products, the investment advisory fee is 1.00% of the assets under management, and, with respect to the employer-sponsored retirement plan, the investment advisory fee is 0.50% of the assets under management. The client assets shall be maintained at either the specific insurance company that issued the variable annuity product or at the custodian designated by the sponsor of the retirement plan.

Non-Discretionary Service Limitations: Clients that determine to engage us on a non-discretionary investment advisory basis must be willing to accept that we cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from you. This, in the event of a market correction during which you may be unavailable, Wealth Solutions, Inc. will be unable to effect any account transactions (as it would for discretionary clients) without first obtaining your verbal consent.

Life Insurance

We may recommend and sell life, disability, and long-term care insurance. We will receive the usual and customary commissions associated with these sales from the insurance company. You will not pay a separate fee for these and your advisory fee will not be reduced by any payments we receive from these sales.

We can provide research and advice concerning any legal and legitimate investment for which public information is readily available. We can also provide an in-depth analysis of your financial situation or other defined projects as requested.

Neither Wealth Solutions, Inc., nor any of its representatives, serves as an attorney or accountant and no portion of our services should be construed as same. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including certain representative of Wealth Solutions, Inc. in their individual professional capacities. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept any recommendation from Wealth Solutions, Inc. Please note: If you engage any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. It remains your responsibility to promptly notify us if there are ever any change in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Item 5 Fees and Compensation

We provide asset management services through Wealth Solutions, Inc. and financial planning services through our affiliated entity, Crownbridge Wealth, LLC for a fee. Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, third party investment companies and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge. You could invest in a mutual fund directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives.

Our Advisory Agreement/Financial Planning Agreement defines what fees are charged and their frequency. We usually bill fees in arrears on a quarterly basis. You will authorize the custodian to directly debit fees from your account held at the custodian and to pay us. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of small inconsequential contributions and withdrawals). You will be provided with a quarterly statement reflecting deduction of the advisory fees.

Either party may terminate the agreement at any time by providing written notice to the other party within five (5) business days of signing the agreement. You will incur charges for advisory or consulting services rendered up to the point of termination and such fees will be due and payable by you within five business days of being billed. Refunds will be given on a pro-rata basis within five business days of cancellation. Accounts opened or terminated during a calendar quarter will be charged a prorated fee.

1. Financial Planning and Consulting Fees

You may want us to create a financial plan provide consulting services for you. We will work with you to create the plan to meet your long term goals. We provide these services through our affiliated entity, Crownbridge Wealth, LLC. We will work with you to create a plan that will serve as your roadmap to the future. We will write a letter of engagement which outlines the planning services to be provided to you; the complexity of your plan will dictate the amount of time necessary to complete the planning process.

The usual fee for us to create your plan is between \$500 to \$5,000. We charge the full price of the plan on the effective date of your Financial Planning Agreement. The Financial Planning Agreement will show the fee you will pay. Fees are negotiable. The Financial Planning Agreement will terminate once you receive the final plan. Plans will be delivered within six months of the execution of the Financial Planning Agreement.

Based upon your needs we may also provide consultations throughout the year to advise and counsel you about other financial issues. We can help you with transition planning, major transaction analysis coordinated with cash flow needs, retirement needs, estate planning needs, income tax planning, investment needs, and college education planning. This will included the above listed financial planning agreement.

All fees are negotiable.

If the plan is implemented through us, we may receive compensation from the sale of insurance products or services recommended in the financial plan. This compensation would be in addition to the financial planning fee you pay. The fees and expenses you pay for the purchase of these products may be more or less than the expenses you would pay should you decide to implement our recommendations through another investment advisory firm or broker-dealer and are typically determined by the broker-dealer or investment company sponsoring the product. Therefore, a conflict of interest may exist between our interests and your interests since we may recommend products that pay us compensation. We may have an incentive to recommend particular products based upon the potential compensation rather than your needs.

All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations.

2. Asset Management Fee Schedule

You may choose to engage Wealth Solutions, Inc. to provide discretionary investment advisory services on a fee basis. Generally, our minimum asset level is \$1,000 for investment advisory services. Multiple accounts of immediately-related family members, at the same mailing address, will be considered one consolidated account for billing purposes. Generally, the quarterly fee will be charged for the total of all of the accounts comprising the consolidated account. The total fee will be billed to one selected Client account unless arranged otherwise between us. For all advisory services, fees are charged quarterly, in arrears. Payments are due and will be assessed on the last day of each quarter, based on the ending balance of the account under management for the preceding quarter. Fees for investment advisory services provided to clients with respect to variable annuity products, are prorated and paid quarterly, in arrears, based upon the market value of assets on the last business day of the previous quarter. Fees are to be calculated as follows:

Percentage	Portfolio Size (AUM)
1.60%*	Up to \$500,000
1.20%**	\$500,001 - \$750,000
0.80%**	Over \$750,000
1.00%	Variable Annuity Sub Accounts
0.50%	Employer Sponsored Retirement Plan Investments

* A 0.20% fee will be added for accounts utilizing the Folio platform. Additionally, you will be responsible for all trade costs. Please review your Folio Institutional Agreement for complete terms and conditions.

** A 0.15% fee will be added for accounts utilizing the Folio platform. Additionally, you will be responsible for all trade costs. Please review your Folio Institutional Agreement for complete terms and conditions.

The fees charged by Wealth Solutions shown above are annual fees. There is generally a \$1,000 minimum asset level for investment advisory services.

No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs.

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings. You may also pay additional advisory fees to a third party money manager depending upon which manager you select. Our fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of your funds. In no event shall we charge advisory fees that are both in excess of five hundred dollars and more than six months in advance of advisory services rendered.

Certain strategies offered by us involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. E*TRADE Advisory Services relieves the fee and reduces the custodial fee charged to the Adviser. The 12(b)(1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund's prospectus.

Your account at the custodian may also be charged for certain additional assets managed for you by us but not held by the Custodian (i.e. variable annuities, mutual funds, 401(k)s).

The fees we charge can be deducted directly from your account at the custodian. Both the Investment Advisory Agreement and the custodial / clearing agreement may authorize the custodian to debit the account for the amount of the investment advisory fee and to directly remit that management fee to Wealth Solutions, Inc. in compliance with regulatory procedures. We will instruct the Custodian to deduct the fees from your account at the end of the calendar quarter, as applicable. This fee will show up as a deduction on your following quarter's account statement from the Custodian.

In the limited event that we may bill you directly, payment is due upon the receipt of the invoice.

3. Other Fees

Our Advisors may recommend and sell life, disability, and long-term care insurance and will receive the usual and customary commissions in addition to any agreed upon advisory fee.

Item 6 Performance Based-Fee and Side-by-Side Management

We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 Types of Client(s)

We provide portfolio management services to individuals, high net worth individuals, and business entities.

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

We primarily use Fundamental Analysis and Technical Analysis as part of our overall investment management discipline; the implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

1. Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

- Fundamental analysis serves to answer questions, such as:
- Is it actually making a profit?
- Is it in a strong-enough position to beat out its competitors in the future?
- Is the company's revenue growing?
- Is it able to repay its debts?

One of the primary assumptions of fundamental analysis is that the price on the stock market does not fully reflect a stock's "real" value. We use a combination of qualitative and quantitative factors to try and find stocks that are undervalued. We look at both macroeconomic factors such as the overall economy and industry conditions and company-specific factors such as financial condition and management. When we are examining a stock, we might look at the stock's annual dividend payout, earnings per share, Price to Earnings ratio and many other quantitative factors. However, no analysis is complete without taking into account brand recognition and other qualitative factors.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Once we discover undervalued securities or funds that are investing in undervalued stocks; we look at the stability and volatility.

2. Technical Analysis

Technical Analysis is a technique that attempts to determine a security or asset class's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

In order to perform our analysis, we may use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Corporate rating services
- Timing Services
- Company websites
- Inspections of corporate activities

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases – securities sold within a year

Currently, the Adviser primarily allocates client investment assets among various (load divided), mutual funds and/or exchange traded funds (“ETFs”), on a discretionary basis in accordance with the client’s designated investment objective(s).

Risks

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance. For a more comprehensive description of all the risks associated with our strategies, methodology, and products please refer to the glossary under Risks.

Item 9 Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

While a principal of the broker-dealer, on September 29, 2009 the United States Securities and Exchange Commission initiated an action against the Registrant’s Principal, Richard Blair, alleging that Mr. Blair violated sections 17(a)(2) and 17(a)(3) of the Securities Act, Section 206(2) of the Advisers Act, Sections 15(c)(3)(a) and 17(a)(1) of the Exchange Act and Rules 15c3-1, 17a-3(a) and 17a-11 there under. The allegation stated that the Registrant convinced customers to surrender variable annuities and repurchase new variable annuities twice within an 18 month period beginning in late 2004 while representing that the cost of the transactions would be minimal. The two transactions cost customers about 11% of the total principal under investment, while the Registrant received \$208,347 in commissions. Additionally, the SEC alleged that Mr. Blair caused the Registrant to maintain inaccurate books and records and operate with a net capital deficiency in January and February 2007. The Registrant and Mr. Blair, without admitting or denying the allegations, settled the matter by agreeing to be censured, to cease and desist the complained of activities and paying a \$25,000 fine. The firm created a spreadsheet of the 17 clients affected. The spreadsheet showed the cost of the surrender charges, the payments of bonuses clients received that were either recaptured or immediately vested upon surrender of the contracts. Also included were market gains the clients

received during the time period in question. This analysis showed 16 of the 17 clients benefited from the exchanges. After consultation with council, we agreed that the monetary costs of a trial and the potential interruption of my staff by continuing to defend the complaint would not be beneficial for my staff nor my clients.

While a Principal of the broker-dealer, in December 2010, FINRA initiated an action against the Registrant's Principal, Richard Blair which was settled in June 2012. The allegations stated that the Principal failed to notify FINRA of a civil action that was filed by a vendor concerning commission advances in a timely manner, failed to disclose these advances as a liability on the firm's books and records, and failed to timely disclose six customer complaints. The events in question occurred in 2009. The firm had an outsourced FINOP who failed to properly account for the commission advances in the general ledger. The firm has also retained the services of an outside compliance consultant who disagreed with FINRA's assessment of the customer complaints which they viewed as customer service related and not actual complaints. In addition they failed to update FINRA concerning a disagreement with a vendor regarding commission payments. This matter was settled to avoid additional legal expenses and Richard Blair did not admit or deny the allegations. Mr. Blair was fined \$7,500 by FINRA.

In 2012, the TSSB initiated an inquiry relating to BD and RIA sales to clients of COLE REIT shares that occurred from 2009-2012. There were never any issues relating to the suitability of the approximately 50 clients who received all of the Issuer's disclosure documents. In addition, the REIT resulted in realized profits for all clients. The COLE prospectus described two offering options. One for BD's and one another for RIA's BD sales had an offering price of \$10 per share with a 7% commission being paid by the issuer to the BD. In other words, if the client purchased \$25,000 of shares at \$10 per share, that entire principle amount was applied to the share purchase. The RIA sales were based on a price of \$9.30 per share, but the investors would be subject to his/her advisor's annual management fees, custodian expenses, etc. COLE confirms that 96% of all sales were effected through BD's TSSB investigators insisted that Blair's prior sales of COLE should have been made through the RIA at a price of \$9.30, Notwithstanding the fact that the firm did not have a selling agreement with COLE on behalf of the RIA. No client ever complained about this investment. Blair, his retained compliance experts and counsel provided an analysis establishing that over the long term holding of this investment, clients would have incurred higher annual management fees and custodial costs that would have offset their paying the higher initial purchase price (\$10 versus \$9.30). During the inquiry, it was determined that Blair had inadvertently charged certain clients a management fee during the same quarter that the firm had received selling commissions. The firm immediately offered to reimburse said clients for the overcharge of the advisory fee. TSSB insisted that the firm was obligated to return all clients the BD sales commissions. TSSB refused to accept any compromise and filed a complaint. Blair opposed the complaint and filed a motion to mediate this dispute which was granted by the SOAH administrative law judge and mediation was subsequently held. The mediation was successfully concluded with the parties agreeing to a client reimbursement in the amount that the TSSB demanded, a reprimand, and undertaking to complete the reimbursement process by a set time and retain a consultant to review the firm's procedures involving RIA conflicts.

In June 2013, FINRA initiated an inquiry relating to BD and RIA sales to clients of COLE REIT shares that occurred from 2009-2012, U-4 inconsistencies and failure to file a customer complaint. Upon the advice of his attorney, Richard Blair did not file the customer complaints as they were ultimately dismissed. There were never any issues relating to the suitability of the product. The COLE prospectus described two offering options. One for BD's and one another for RIA's BD sales had an offering price of \$10 per share with a 7% commission being paid by the issuer to the BD. In other words, if the client purchased \$25,000 of shares at \$10 per share, that entire principle amount was applied to the share purchase. The RIA sales were based on a price of \$9.30 per share, but the investors would be subject to his/her advisor's annual management fees, custodian expenses, etc. COLE confirms that 96% of all sales were effected through BD's. No client ever complained about this investment. Blair, his retained compliance experts

and counsel provided an analysis establishing that over the long term holding of this investment, clients would have incurred higher annual management fees and custodial costs that would have offset their paying the higher initial purchase price (\$10 versus \$9.30). Blair also inadvertently charged certain clients a management fee during the same quarter that the firm had received selling commissions. The firm immediately offered to reimburse said clients for the overcharge of the advisory fee. On March 17, 2015, FINRA's Hearing Panel indicated that FINRA's Department of Enforcement did not prove by a preponderance of the evidence that Blair violated FINRA rules with regard to failure to disclose material information regarding the sale of the COLE REIT shares. The Hearing Panel did conclude that Blair failed to disclose two customer complaints on his Form U4. However, his attorney at the time advised that these complaints were not reportable and should not be reported. Should he become a registered representative of a FINRA member firm, he will be suspended in all capacities for four months, and fined \$17,500.

In October 2015, FINRA initiated a Revocation. Pursuant to FINRA Rule 8320, Richard Blair's FINRA registration is revoked for failure to pay fines and/or costs. Should he become a registered representative of a FINRA member firm, he will be required to pay fines and/or costs.

In April 2016, Arkansas initiated a Cease and Desist Order from further violations of Arkansas Securities Act until he is properly registered with the Department. Richard Blair was not registered with the Arkansas Securities Department as required by the Arkansas Securities Act and Rules of the Arkansas Securities commissioner and transacted business with Arkansas residents exceeding the de minimis exception.

Item 10 Other Financial Industry Activities and Affiliations

1. Broker-Dealer Relationship

Wealth Solutions, Inc. is not affiliated or associated with any Broker-Dealer.

Neither Wealth Solutions, Inc. nor its representatives are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

2. Insurance Agent

Certain of the Adviser's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. In their role as an insurance agent/broker, they may offer commissionable (non-variable) insurance products to you for which they may receive compensation from insurance companies. The recommendation by representatives for the purchase of an insurance product may present a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from the Adviser's representatives. Clients are reminded that they may purchase insurance products recommended by Wealth Solutions, Inc. through other, non-affiliated broker-dealers or insurance agents.

Item 11 Code of Ethics, Participation or Interest in Client Accounts and Personal Trading

1. General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

2. Participation or Interest in Client Accounts

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Participating in Client accounts

You may request a copy of the firm's Code of Ethics by contacting Richard Blair.

3. Personal Trading

We have established the following restrictions in order to ensure our fiduciary responsibilities to you are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of Investment Advisory Representative(s) of Wealth Solutions, Inc., unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.
- Neither Wealth Solutions, Inc. nor any related person recommends, buys, or sells for client accounts, securities in which the Adviser or any related person of the Adviser has a material financial interest.
- The Adviser and/or representatives of the Adviser *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Adviser and/or representative of the Adviser are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation may create a potential conflict of interest. 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 prices which follow the recommendation) could take place if the Adviser did not have adequate policies in place to detect such activities. The Adviser has policies and procedures in place to monitor personal securities transactions for the detection of potential abusive practices.
- We emphasize your unrestricted right to decline to implement any advice rendered.

However, some securities trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records as required.

In addition, open-end mutual funds and/or investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value. Therefore, purchases of mutual funds and/or variable insurance products by an advisor are not likely to have an impact on the prices of the fund in which you invest. These types of transactions are not prohibited by our policies and procedures.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Wealth Solutions, Inc. has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Adviser selects; provided, however that at any time that the Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

4. Responsibility

It is the responsibility of all supervisory personnel to ensure that we conduct business with the highest level of ethical standards and in keeping with our fiduciary duties to you. We must put your interests first and refrain from having outside interests that conflict with your interests.

5. Privacy Statement

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

6. Conflicts of Interest

Wealth Solutions, Inc. representatives may employ the same strategy for personal investment account as they do for clients. However, orders will not be placed in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

7. Use of Disclaimers

We shall not attempt to limit liability for willful misconduct or gross negligence through the use of disclaimer.

Item 12 Brokerage Practices

1. Soft Dollars

In the event you request Wealth Solutions, Inc. recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct us to use a specific broker-dealer/custodian, we generally recommend investment management accounts be maintained at *E*TRADE Advisory Services*. Prior to engaging us to provide investment management services, you will be required to enter into a formal *Investment Advisory Agreement* setting forth the terms and conditions under which we shall manage your assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors we consider in recommending *E*TRADE Advisory Services* (or any other broker-dealer/custodian to clients) include the historical relationship, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our clients shall comply with our duty to obtain best execution, you may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, the investment management fee you pay Wealth Solutions, Inc. Our best execution responsibility is qualified if securities that we purchase for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

*E*TRADE Advisory Services* and other third party managers may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). These research products and/or services will assist the Advisor in its investment decision making process. Such research generally will be used to service all of the Advisor's clients, but brokerage commissions paid by the client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where the Advisor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Research

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from *E*TRADE Advisory Services* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Wealth Solutions, Inc. to better monitor and service client accounts maintained at such institutions. Included within the

support services that may be obtained by us may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Wealth Solutions, Inc. in furtherance of our investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Wealth Solutions, Inc. in managing and administering client accounts. Others do not directly provide such assistance, but rather assist us to manage and further develop our business enterprise.

Our clients do not pay more for investment transactions effected and/or assets maintained at *E*TRADE Advisory Services* as a result of this arrangement.. We believe that *E*TRADE Advisory Services* pays industry standard commissions on transactions they handle for us. These commissions are reasonable and customary.

2. Brokerage for Client Referrals

We do not receive any compensation or incentive for referring you to broker-dealers for brokerage trades.

3. Directed Brokerage

We do not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, you will negotiate terms and arrangements for your account directly with that broker-dealer, and we will not seek best execution services or prices from other broker-dealers or be able to “batch” your transactions for execution through other broker-dealers with orders for other accounts managed by Wealth Solutions, Inc. As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please note: In the event that you direct Wealth Solutions, Inc. to effect securities transactions for your account through a specific broker-dealer, you correspondingly acknowledge that such direction may cause the accounts to incur higher commissions or transactions costs than the accounts would otherwise incur had you determined to effect account transactions through alternative clearing arrangements that may be available through Wealth Solutions, Inc.

Not all advisory firms require you to direct brokerage to a specific broker/dealer. We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

Transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients’ differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

Item 13 Review of Accounts

1. Duty to Supervise

We are responsible for ensuring adequate supervision over the activities of all persons who act on our behalf. Specific duties include:

- Establish procedures that could be reasonably expected to prevent and detect violations of law by our advisory personnel
- Analyze operations and create a system of controls to ensure compliance with applicable securities laws
- Ensure that all advisory personnel fully understand the Company's policies and procedures
- Establish a review system designed to provide reasonable assurance that our policies and procedures are effective and being followed

2. Reviews

Reviews will be conducted by us at least quarterly or as agreed to by us. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections.

3. Reports

You will be provided with account statements reflecting the transactions occurring in the account on at least a quarterly basis. These statements will be written or electronic depending upon what you selected when you opened the account. You will be provided with paper confirmations for each securities transaction executed in the account. You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s).

Item 14 Client Referrals and Other Compensation

We do not receive any compensation for referring clients to another advisor nor do we pay any compensation to another advisor if they refer clients to us.

As discussed in Item 12 above, we may receive an economic benefit from *E*TRADE Advisory Services*. Wealth Solutions, Inc. without cost (and/or at a discount), may receive support services and/ or products from *E*TRADE Advisory Services*.

You do not pay more for investment transactions effected and/or assets maintained at *E*TRADE Advisory Services* as a result of this arrangement. There is no corresponding commitment made by Wealth Solutions, Inc. to *E*TRADE Advisory Services* 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.

Item 15 Custody

We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of your account(s) if we have the ability to deduct your quarterly fees from the custodian. We use Trust Company of America and Folio Institutional as the custodian(s) and/or broker-dealer for all your accounts. You should receive at least quarterly statements from the broker-dealer or custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare this official custodial record to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please note: the account custodian does not verify the accuracy of our advisory fee calculation. If you notice any discrepancies, please contact Richard Blair.

We do not debit the client fees directly from your advisory account. Only the custodian has the authority to directly charge and debit fees from your account, which are then forwarded to us. The Custodian will provide you immediate transaction confirmations and quarterly statements, either by mail or electronically per your request. Statements will list the total value of the account at the start and end of the period and itemize all transactions and security positions. For taxable accounts, the Custodian will provide you with consolidated year-end summary statements including IRS forms 1099 and other tax-related forms, as applicable. We are not allowed to make alterations or amendments to the custodian's statement. This preserves the integrity of the Custodian's statement and provides you with an independent appraisal of the account.

Item 16 Investment Discretion

We may receive discretionary authority from you at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold. Prior to Wealth Solutions, Inc. assuming discretionary authority over your account, you will execute an Investment Advisory Agreement, authorizing us as your attorney and agent in fact, granting us the full authority to buy, sell, or otherwise effect investment transactions involving the assets in your name found in the discretionary account. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

Clients who engage Wealth Solutions, Inc. on a discretionary basis may, at any time, impose restrictions, in writing, on our discretionary authority (i.e. limit the types / amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe our use of margin, etc.)

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions you have set. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Item 17 Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. We are authorized to instruct the Custodian to forward you copies of all proxies and shareholder communications relating to your account assets.

Item 18 Financial Information

We do not solicit fees of more than \$500, per client, six months or more in advance. We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.

Item 19 Requirements for State Registered Advisers

Firm Principals

There is one principal of Wealth Solutions, Inc., Richard Blair is President, CCO, and CIO. Mr. Blair was born in 1968. His information is as follows:

Part A

Education

B.S., Business Administration 1991

University of Houston, Houston, TX

Masters of Science in Financial Services 2016

Institute of Business & Finance, San Diego, CA

Business History

1993 – Present Principal, President, and CCO at Wealth Solutions, Inc.

Part B

As noted in item 10 “Other Financial Industry Activities and Affiliations” above, Mr. Blair is not affiliated with a broker-dealer. Mr. Blair is a licensed insurance agent and devotes approximately 15% of his time to this activity.

Part C

We do not charge a performance-based fee (fee based on a share of capital gains on, or capital appreciation of, the assets of a client) for asset management accounts.

Part D

Neither Wealth Solutions, Inc. nor Richard Blair has been the subject of any disciplinary actions, other than as previously disclosed in this brochure under Item 9.

Part E

Neither Wealth Solutions, Inc. nor Richard Blair has any relationship with any issuer of securities.

Glossary of Key Terms

Advisor – Your individual representative at Wealth Solutions, Inc.

Asset Allocation – The process of dividing investments among different kinds of assets, such as stocks, bonds, real estate and cash, to optimize the risk/reward tradeoff based on an individual's or institutions specific situation and goals; a key concept in financial planning and money management.

Asset-class investment portfolios – An asset class is a grouping of similar investments whose prices tend to move together. Asset classes can be defined on a very general level, such as stocks or on a more specific level, such as American silver producing companies. The concept of asset classes is important because one of the goals when building an investment portfolio is to use different asset classes which are not correlated with each other.

Diversification—a portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction. The goal of diversification is to reduce the risk in a portfolio. Volatility is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

Exchange-Traded Funds (ETFs) — A type of an investment company (either an open-end company or UIT) whose objective is to achieve the same return as a particular market index. ETFs differ from traditional open-end companies and UITs, because, pursuant to SEC exemptive orders, shares issued by ETFs trade on a secondary market and are only redeemable from the fund itself in very large blocks (blocks of 50,000 shares for example).

Fees – a list of all fees associated with different products we offer are listed below:

1. 12b-1 Fees — Fees paid by the fund out of fund assets to cover the costs of marketing and selling fund shares and sometimes to cover the costs of providing shareholder services. "Distribution fees" include fees to compensate brokers and others who sell fund shares and to pay for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature. "Shareholder Service Fees" are fees paid to persons to respond to investor inquiries and provide investors with information about their investments.
2. Account Fee—A fee that some funds separately impose on investors for the maintenance of their accounts. For example, accounts below a specified dollar amount may have to pay an account fee.
3. Distribution Fees — Fees paid out of fund assets to cover expenses for marketing and selling fund shares, including advertising costs, compensation for brokers and others who sell fund shares, and payments for

printing and mailing prospectuses to new investors and sales literature prospective investors. Sometimes referred to as "12b-1 fees."

4. **Management Fee**—fee paid out of fund assets to the fund's investment adviser or its affiliates for managing the fund's portfolio, any other management fee payable to the fund's investment adviser or its affiliates, and any administrative fee payable to the investment adviser that are not included in the "Other Expenses" category. A fund's management fee appears as a category under "Annual Fund Operating Expenses" in the Fee Table.
5. **Operating Expenses**—the costs a fund incurs in connection with running the fund, including management fees, distribution (12b-1) fees, and other expenses.
6. **Purchase Fee** — a shareholder fee that some funds charge when investors purchase mutual fund shares. Not the same as (and may be in addition to) a front-end load.
7. **Redemption Fee** — a shareholder fee that some funds charge when investors redeem (or sell) mutual fund shares. Redemption fees (which must be paid to the fund) are not the same as (and may be in addition to) a back-end load (which is typically paid to a broker). The SEC generally limits redemption fees to 2%.
8. **Sales Charge (or "Load")** — the amount that investors pay when they purchase (front-end load) or redeem (back-end load) shares in a mutual fund, similar to a commission. The SEC's rules do not limit the size of sales load a fund may charge, but FINRA rules state that mutual fund sales loads cannot exceed 8.5% and must be even lower depending on other fees and charges assessed.
9. **Shareholder Service Fees** — fees paid to persons to respond to investor inquiries and provide investors with information about their investments. See also "12b-1 fees."

Investment Adviser — generally, a person or entity who receives compensation for giving individually tailored advice to a specific person on investing in stocks, bonds, or mutual funds. Some investment advisers also manage portfolios of securities, including mutual funds.

Investment Company — a company (corporation, business trust, partnership, or limited liability company) that issues securities and is primarily engaged in the business of investing in securities. The three basic types of investment companies are mutual funds, closed-end funds, and unit investment trusts (UITs).

Investment Goals – objective or target, usually driven by specific future financial needs. Some common goals for an individual are: saving for a comfortable retirement, saving to send children to college, managing finances to enable a home purchase, minimizing taxes, and maximizing return on investments given a certain risk tolerance, and estate or trust planning.

Investment Objectives – The financial goal or goals of an investor. An investor may wish to maximize current income, maximize capital gains, or set a middle course of current income with some appreciation of capital. Defining investment objectives helps to determine the investments an individual should select.

Mutual Fund — the common name for an Open-End Investment Company (the legal name for a mutual fund and a type of investment company that continuously offers new shares for sale). Like other types of investment companies, mutual funds pool money from many investors and invest the money in stocks, bonds, short-term money-market instruments, or other securities. Mutual funds issue redeemable shares that investors purchase directly from the fund (or through a broker for the fund) instead of purchasing from investors on a secondary market.

NAV (Net Asset Value) — the value of the fund's assets minus its liabilities. SEC rules require funds to calculate the NAV at least once daily. To calculate the NAV per share, simply subtract the fund's liabilities from its assets and then divide the result by the number of shares outstanding.

No-load Fund — a fund that does not charge any type of sales load. Not every type of shareholder fee is a "sales load," and a no-load fund may charge fees that are not sales loads. No-load funds also charge operating expenses.

Portfolio — an individual's or entity's combined holdings of stocks, bonds, or other securities and assets.

Prospectus — describes the mutual fund to prospective investors. Every mutual fund has a prospectus. The prospectus contains information about the mutual fund's costs, investment objectives, risks, and performance. You can get a prospectus from the mutual fund company (through its website or by phone or mail). Your financial professional or broker can also provide you with a copy.

Risks – a list of all risks associated with the strategies, products and methodology we offer are listed below:

1. Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- **Call Risk** - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Credit Risk** — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- **Interest Rate Risk** — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- **Prepayment Risk** — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

2. Fundamental Analysis Risk

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

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- When using this method with mutual funds, the funds are composed of many companies and not all of them will be undervalued
- The data used may be at least six months out of date.
- It is difficult to give appropriate weightings to the factors. In the early 1970s and 1980s price/earnings multiples of 80 or 90 were considered acceptable by some for 'blue chip' stocks in the United States.
- In the 1980s in the United States some biotechnology stocks sold at '50 times sales'. The companies had no earnings and paid no dividend. The new yardstick to value these became 'products in the pipeline'. By the late 1980s most had lost three-quarters of their stock price.
- It assumes that the analyst is competent.

- A fundamental analyst assumes that other fundamental analysts will form the same view about the company and buy the stock, thus restoring its value and returning the trader or investor a capital gain. In practice, an undervalued company's stock price can stay at approximately the same level (or decline) for years.
- 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.
- Even when fundamental analysis reveals an undervalued company, or a stock with high growth prospects, it does not tell us anything about the timing of the purchase of the stock. In other words, we may have discovered a grossly undervalued stock whose price has been falling for some time, and may well continue falling.

3. Insurance Product Risk

The rate of return on variable insurance products is not stable, but varies with the stock, bond and money market subaccounts that you choose as investment options. There is no guarantee that you will earn any return on your investment and there is a risk that you will lose money. Before you consider purchasing a variable product, make sure you fully understand all of its terms. Carefully read the prospectus. Some of the major risks include:

- Liquidity and Early Withdrawal Risk – There may be a surrender charges for withdrawals within a specified period, which can be as long as six to eight years. Any withdrawals before a client reaches the age of 59 ½ are generally subject to a 10 percent income tax penalty in addition to any gain being taxed as ordinary income.
- Sales and Surrender Charges – Asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares. For example, a surrender charge could start at 7 percent in the first year and decline by 1 percent per year until it reaches zero.
- Fees and Expenses – There are a variety of fees and expenses which can reach 2% and more such as:
 - Mortality and expense risk charges
 - Administrative fees
 - Underlying fund expenses
 - Charges for any special features or riders
- Bonus Credits – Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
- Guarantees – Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. These guarantees are only as good as the insurance company that gives them.
- Market Risk – The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk – The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

4. Mutual Funds Risk

Mutual funds can offer the advantages of diversification and professional management. But, as with other investment choices, investing in mutual funds involves risk and fees and taxes will diminish a fund's returns.

The following is a list of some general risks associated with investing in mutual funds.

- **Country Risk** - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk** - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- **Industry Risk** - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- **Manager Risk** -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

5. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

6. Stock Fund Risk

Although a stock fund's value can rise and fall quickly over the short term, historically stocks have performed better over the long term than other types of investments — including corporate bonds, government bonds, and treasury securities.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

Not all stock funds are the same. For example:

- Growth funds focus on stocks that may not pay a regular dividend but have the potential for large capital gains.
- Income funds invest in stocks that pay regular dividends.
- Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Index, by investing in all — or perhaps a representative sample — of the companies included in an index.
- Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks.

7. Technical Analysis risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

Risk Tolerance – the extent to which an investor is willing to accept more risk in exchange for the possibility of a higher return. An investor with a high risk tolerance is likely to invest in securities, such as stocks in startup companies, and is willing to accept the possibility that the value of his/her portfolio will decline, at least in the short-term. An investor with a low risk tolerance, on the other hand, tends to invest predominantly in stable stocks and/or highly-graded bonds. One's risk tolerance is subjective and may vary according to age, needs, goals, and even personal dispositions

Third Party Money Manager — the professional management of various securities (shares, bonds and other securities) and assets (e.g., real estate), to meet specified investment goals for the benefit of the investors. The managers are not the actual advisers working with the investor. Investors may be institutions (insurance companies, pension funds, corporations, individuals etc.