

# **Triad Advisors, Inc.**

## **Pinnacle Wrap Fee Program Brochure**

SEC File No. 801- 55518

5155 Peachtree Parkway, Norcross GA 30092

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<http://www.com>

March 30, 2016

**This Wrap Fee brochure provides clients with information about the qualifications and business practices of Triad Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at [www.com](http://www.com) or 770-840-6042. 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.**

Triad Advisors, Inc. is a dually registered investment adviser and broker/dealer. 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 about which you determine to hire or retain an Adviser.

Additional information about Triad Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Triad who are registered, or are required to be registered, as Investment Adviser Representatives of Triad.

## Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amended the rules pertaining to the disclosure documents that advisers provide to clients as required by SEC Rules. This brochure is prepared according to the SEC’s amended rules. This section summarizes specific material changes that have been made to the brochure.

Pursuant to the amended SEC Rules, within 120 days of the close of our firm’s fiscal year (December 31<sup>st</sup>) we will deliver either:

1. a copy of the current (updated) Brochure that includes or is accompanied by the summary of material changes, or
2. a summary of material changes that includes an offer to provide a copy of the current (updated) Brochure.

We may further provide other ongoing disclosure information about material changes as necessary as well as provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Please notify us if there have been any changes to your financial situation, your objectives, or if you would like to place or modify any reasonable restrictions in the management of your account. Currently, our full brochure which includes detailed information on the changes summarized below and your Investment Adviser Representative’s personalized disclosure brochure may be requested by contacting your Investment Adviser Representative or our Compliance Department at 770-840-6042 or [compliance@triad-advisors.com](mailto:compliance@triad-advisors.com).

### ***Material Changes Since the Last Update- Pinnacle Wrap Brochure***

This brochure by Triad Advisors, Inc. dated March 30, 2016 serves as a replacement to the Pinnacle Wrap Brochure dated August 12, 2015. Material changes to this brochure since the last update are noted below in the following sections:

1. Disciplinary Information – Triad entered into an Acceptance Waiver and Consent with FINRA on March 3, 2016 due to a failure to apply sales charge discounts to certain customers’ eligible purchase of unit investment trusts (“UITs”) in violation of FINRA Rule 2010. During the same time period, Triad failed to establish and maintain a supervisory system including written supervisory procedures, reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases in violation of NASD Rule 3010 and FINRA Rule 2010. Triad consented to a censure, a \$125,000 fine and restitution to customers totaling \$102,631.62.
2. Fees and Compensation: Compensation and Reimbursement of Expenses to Triad Advisors, Inc. and Representatives – Information on the types of compensation Triad and its affiliates may receive in connection with advisory services we may provide to you.
3. Other Financial Industry Activities and Affiliations: Compensation and Reimbursement of Expenses to Ladenburg Thalmann Financial Services Inc. (LTFI) and its Affiliates – Descriptions of arrangements we have with related persons in connection with services we may provide to you.
4. Jeffrey Rosenthal was named President and Chief Executive Officer of Triad Advisors, Inc.

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## Services, Fees and Compensation

**Client should read and consider the information contained in this brochure. There is no assurance that the objectives of any client will be achieved.**

### *Advisory Services*

Triad Advisors, Inc. (“Triad”) is registered as both an investment adviser and a broker-dealer. Each client has an Investment Adviser Representative. Investment Adviser Representatives are generally broker-dealer representatives of Triad. In addition, the Investment Adviser Representative is an advisory representative of Triad or is an advisory representative of an independently registered investment adviser.

If your Investment Adviser Representative is a Triad Investment Adviser Representative, Triad is providing advisory services to you in addition to brokerage and program services, as described in this brochure. If your Investment Adviser Representative is acting as a representative of an independently registered investment adviser, that independently registered investment adviser is providing advisory services to you, and you will receive a disclosure brochure from that firm. For the purposes of this document, the term “Advisory Firm” refers to either Triad or the independently registered investment adviser whichever is providing advisory services to you.

Clients who wish to participate in the Pinnacle Program (“Pinnacle”) generally enter into a Pinnacle agreement. The Pinnacle agreement will set forth which Advisory Firm is providing consulting services to you.

Clients inform their Investment Adviser Representatives of the investment objectives, risk tolerance, and investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the assets they designate for investment through the Pinnacle Program. Based on this information, the Investment Adviser Representative may provide advice and/or manage client accounts by purchasing and/or selling stocks, bonds, mutual funds, exchange-traded funds (ETFs), options, and the management of Variable Annuity (VA) sub-accounts. Investment Adviser Representatives generally manage the accounts in Pinnacle on a non-discretionary basis. This means that they will purchase or sell securities for accounts only as authorized by the client. Under certain circumstances, a client may grant the Investment Adviser Representative discretionary trading authority over an account. Clients grant this discretion in a Limited Trading Authorization Form provided by Triad. This means that the Investment Adviser Representative will buy and sell securities without consulting the client in advance.

Investment Adviser Representative may manage various model portfolios for each VA carrier product that are maintained outside of an account structure. Although the Variable Annuities and their respective sub-accounts may be represented on various reports or statements, the Variable Annuities are held directly at the VA sponsor. Sub-account asset allocations may be limited by the VA Carrier product fund options. Certain asset allocations may also be restricted by the VA carrier. Investment Adviser Representatives will not direct reallocations of the sub-accounts through these account structures. In such cases when a reallocation is required, the Investment Adviser Representative will direct and execute such reallocation transactions directly through the VA sponsor. Clients must complete documentation necessary under the applicable variable annuity contract to grant the Investment Adviser Representative access to information necessary to perform these services. Triad has approved various VA carrier products for this service and may restrict the inclusion of a VA to an account structure at our discretion. The inclusion of VA products to an account structure is also subject to our policies and procedures.

Any restrictions on the management of an account imposed by a client may cause the Investment Adviser Representative to deviate from the investment decisions or recommendations that the Investment Adviser Representative would otherwise make with respect to the account.

### *Execution of Trades*

Triad Advisors will generally also act as broker-dealer.

### ***Custody***

National Financial Services, LLC (“NFS”), an unaffiliated entity acts as custodian for Pinnacle accounts.

### ***Fees and Compensation***

#### ***Pinnacle Account***

The client pays a quarterly Wrap Fee which is calculated based on a percentage of the value of the client’s account. Fees are payable quarterly or monthly in advance, and automatically deducted from the account pursuant to the Pinnacle agreement and not billed separately.

The maximum annual Wrap Fee rates are:

<b>Portfolio Value</b>	<b>Max Annual Wrap Fee Rate</b>
\$0 — \$250,000	2.75%
\$250,001 — \$750,000	2.25%
\$750,001 — \$2,000,000	1.75%
\$2,000,001 +	1.50%

The Wrap Fee rate may be either a flat annual fee rate (for example, a maximum rate of 1.50%) or will be a blended rate, using two or more of the rate tiers set forth above. A blended rate is calculated by charging a lower rate on the assets above the designated tiers. The rates are subject to negotiation between the Investment Adviser Representative and each client. The Wrap Fee is negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc.

#### ***Pinnacle Account – Managed Account Solutions (MAS)***

Managed Account Solutions (MAS) is an effective asset management tool that provides robust research, proposal generation, advanced order management, billing and performance reporting. The client pays a quarterly Wrap Fee which is calculated based on a percentage of the value of the client’s account. Fees are payable quarterly in advance and automatically deducted from the account pursuant to the Pinnacle agreement and not billed separately.

The maximum annual Wrap Fee rates are:

<b>Portfolio Value</b>	<b>Max Annual Wrap Fee Rate</b>
\$0 — \$500,000	2.75%
\$500,000 — \$1,000,000	2.25%
\$1,000,001 — \$2,000,000	1.75%
\$2,000,001 +	1.50%

In Pinnacle accounts administered through Managed Account Solutions (MAS), the Wrap Fee rate may be either a flat annual fee rate (for example, a maximum rate of 1.50%) or will be a breakpoint schedule. When a breakpoint fee rate schedule is selected, the entire household, portfolio or account value is charged at the rate that corresponds to the asset value range in which billable asset values fall. The rates are subject to negotiation between the Investment Adviser Representative and each client. The Wrap Fee is negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc.

Either party at any time, and upon written notice, may terminate the Pinnacle agreement and a pro rata portion of any Wrap Fee paid by the client in advance will be remitted to the client based on the number of days left in the quarter, following receipt of the notice of termination by Triad.

The Wrap Fee covers the advisory services provided by the Investment Adviser Representatives, execution of transactions through Triad, and custodial services provided by NFS (unless otherwise agreed between the custodian and the client).

### ***Fees That Clients May Pay in Addition to the Wrap Fee***

#### *Certain Performance Reporting Fees*

The Investment Adviser Representative may provide certain clients with quarterly performance reports and may charge a quarterly fee for these reports in addition to the Wrap Fee. The Investment Adviser Representative will provide clients to be charged this fee with additional information about the fee, including the amount.

#### *Other broker-dealer and custodian fees, costs and compensation*

Other costs that may be assessed by broker-dealers or the custodian and that are not included in the Wrap Fee include: fees for transactions executed away from Triad, dealer mark-ups and spreads paid to market-makers. The Wrap Fee also does not cover debit balances or related margin interest, “mark-ups” and “mark-downs” or “dealer spreads” that broker-dealers (including broker dealer affiliates) may receive when acting as principal in certain transactions, brokerage commission or other charges resulting from transactions not effected through Triad. The Wrap Fee also does not cover costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees or SEC fees or other fees or taxes required by law.

In the Pinnacle account transaction or ticket charges are paid by your Investment Adviser Representative. Because of this practice you should be aware that an Investment Adviser Representative may have an incentive to limit trading activities in your account. Instead of being charged a transaction charge, Triad may be charged a flat basis point fee by our Custodians to cover transactions executed annually in an account. If Triad pays this charge or any other administrative fees, the Investment Adviser Representative may take those charges into account when the Investment Adviser Representative and the Client negotiate the asset based management fee. An account in which there are no transaction charges may cost more or less than a Client would pay if investment advice, brokerage and other services were purchased separately. An arrangement with asset based fees typically assumes a normal amount of trading activity and under particular circumstances. Prolonged periods of account inactivity may result in higher compensation than if transaction charges were paid separately by Clients for each transaction.

In negotiating asset based fees and transaction charges, Investment Adviser Representatives will discuss with Clients the impact of the size of their account and the likely turnover of the account based on the proposed strategy for their account. Investment Adviser Representatives may also recommend an account structure which has varying transaction charges for certain security types (mutual funds, ETFs, equity, fixed income, options and alternatives), which are charged to the Investment Adviser Representative. As a consequence your Investment Adviser Representative has a conflict of interest in recommending one security type over another as they may receive less compensation in their choice of investments in managing your account. As a fiduciary we are required to act in the client’s best interest and manage these conflicts via periodic reviews of your accounts.

The advisory fees do not cover charges imposed by third-parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds and variable annuity contracts. In addition, each mutual fund or third party money manager charges asset management fees, which are in addition to the advisory fees charged by our firm.

Variable annuity companies generally impose internal fees and expenses on client variable annuity expenses, including contingent deferred sales charges and early redemption fees. These fees are in addition to the advisory fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

Clients should also consider the transactions costs and/or tax consequences that might result from rebalancing. Frequent rebalancing may incur additional costs and/or tax consequences versus less rebalancing. Rebalancing involves restoring your original asset allocation by shifting your funds among investment categories to regain ratios that may have been decided initially upon designing your portfolio or decided during the course of your relationship with Triad.

Our Investment Adviser Representatives may trade on margin for client's accounts, which could result in a high portfolio turnover ratio and higher transaction charges in accounts with such charges. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved. Generally, advisory fees in Pinnacle accounts with margin are billed net of the margin debt held in your account. For Pinnacle accounts on the Managed Accounts Solutions (MAS) platform, accounts with margin are billed on the gross market value of all securities within the account resulting in a higher fee billed to the account than if the margin debt was subtracted from the total market value of the account.

The Triad also receives a portion of the margin interest charge for a Client's margin balance for accounts at National Financial Services ("NFS"). The receipt of this margin interest is a conflict of interest. This conflict of interest is mitigated by the review of each client's application for margin to ensure it is consistent with your stated needs, objectives and financial situation. The receipt of a portion of the margin interest charged does not reduce your advisory management fee. You may also choose to use certain assets in your account to collateralize lending via a non-purpose loan referred to as a credit line from an unaffiliated lender. The collateralized accounts will not receive a credit or adjustment of advisory fees for a non-purpose loan held in a separate non-advisory account. Investment Adviser Representatives may refer you to a third party lending institution should you wish to obtain a loan using your securities as collateral. Triad may receive a fee from this arrangement with a third party lending firm. This fee will not reduce your advisory management fee. Please see the section titled Types of Investments and Risks: Margin & Lending Risk for additional information.

#### ***Compensation and Reimbursement of Expenses to Triad Advisors, Inc. and Representatives***

Triad Advisors, Inc. and its affiliates, which include Ladenburg Thalmann Financial Services Inc., Ladenburg Thalmann & Co. Inc., Securities America, Inc., Securities Service Network, Inc., Investacorp, Inc. and KMS Financial Services, Inc., (together "Ladenburg Thalmann"), and their representatives receive revenue on the products and services you purchase from several sources. These sources include fees and charges you pay and other arrangements we have in place with affiliated and non-affiliated entities including: periodic fees, periodic expenses paid from product assets such as 12b-1 fees from mutual funds and the funds available in variable annuities, financial planning and advisory service fees, a portion of the organization and offering fees and expenses for REITs, limited partnerships and other nonpublic securities offerings.

Triad receives compensation from mutual funds and variable product sponsors available to you through our representatives. These payments may include trailing commissions (including service fees known as 12b-1 payments).

We may also receive additional payments called revenue sharing payments and/or marketing allowances from certain product sponsors under special agreements with those firms, called "Strategic Partners." Additional details concerning the Strategic Partners Program and Non-Publicly Traded Products are set forth below. We also maintain revenue and marketing allowance payment programs involving certain Real Estate Investment Trusts (commonly referred to as REITs). Representatives of product sponsors, often referred to as "wholesalers," work

with Ladenburg Thalmann and its representatives to promote their products. These product sponsors are generally granted access to our representatives to promote their products.

Consistent with rules set out by FINRA, these wholesalers and/or their firms may pay Triad for training or education of our representatives. Product sponsors may also make payments to Ladenburg Thalmann to promote the marketing of their products to clients which includes seminars for clients and potential clients. These firms may also invite representatives to due diligence or continuing education meetings regarding their products. From time to time Triad may also allow its representatives to attend off-site training sessions that may be sponsored or co-sponsored by these product sponsors. Triad prohibits the promotion of any product, including those issued by fund families, insurance carriers, or sponsors, over another based solely on additional payments or other considerations that might be received from the sale or marketing of their products. Representatives are required to make recommendations to clients based on the clients' needs and objectives; however, receipt of such reimbursements could create an incentive by your representative to recommend products that provide such payments. We encourage you to talk with your representative about any fees or compensation they receive from the sale of investment products.

Representatives may also receive incentives to join and remain affiliated with Triad through certain compensation arrangements that could include bonuses, enhanced pay-outs, forgivable loans and/or business transition loans. The receipt of such compensation may be considered a conflict of interest, however, Representatives are required to make recommendations based on the client's needs and objectives.

#### ***Non-Publicly Traded Products***

Triad, also offers several non-publicly traded products, including, but not limited to, non-listed real estate investment trusts ("REITS"), limited partnerships ("LPs"), and 1031 exchange programs, hedge fund or funds, managed futures, tax credit programs, oil and gas programs, venture capital funds, and private equity funds. Triad conducts due diligence analysis of these products prior to making them available to the public through its representatives. Such due diligence is not a guarantee or assurance the products will not lose their value and you should read any offering document or prospectus for such products carefully as they describe the risk associated with such investments. Triad may receive due diligence and/or marketing allowance payments from certain sponsors. While the arrangements with each sponsor may vary, each product sponsor may pay a due diligence or marketing allowance fee based upon the amount of assets held at the sponsor or on the gross amount of each sale, depending on the product. However, certain non-publicly traded products may not be available in the Pinnacle account at Triad. Please contact your Representative or visit [www.commodity.com/customer-information](http://www.commodity.com/customer-information) for a list of available sponsors.

#### ***Revenue Sharing and Referral Arrangements with our Clearing Firms***

Triad may receive reimbursement from its clearing firm, National Financial Services, LLC ("NFS"), for all or a portion of any transfer of asset fees which customers could incur from other clearing providers upon the transfer of accounts to a Triad account carried by NFS. If Triad receives this type of reimbursement, Triad may retain all or a portion of such reimbursements or, at its discretion, may pass through all or a portion of such reimbursement to its clients and/or its representatives. Triad also receives various forms of revenue from NFS based upon client activity, as well as the amount of assets custodied with these firms. In general, Triad and its affiliates share with these clearing firms the expenses of trade execution and account servicing. The revenue sources include, but are not limited to, a percentage or portion of fees and transaction charges collected by the clearing firms and shared with Triad, which may include ticket charges, margin interest charges, IRA fees, inactivity fees, money market fund 12b-1 trails, and other fees. Triad typically does not reduce advisory fees to offset maintenance and miscellaneous charges incurred by clients in the management of their accounts. Please contact your representative or review the applicable investment advisory agreement for a schedule of transaction charges.

### ***Other Revenue Sharing***

Revenue may be shared from transactions in fixed income, structured products and unit investment trusts (UITs). Based on the spread of a fixed income transaction both Advisors Asset Management (AAM) and the Ladenburg Fixed Income desk (LFI) at Ladenburg Thalmann & Co. Inc. share a dealer concession that can float with the type of bond and maturity. Currently only AAM conducts structured products business and shares revenue based on sales levels reached. Both AAM and LFI provide a revenue share component with UITs, none of which is paid to our representatives.

### ***Bank Deposit Sweep Program***

Triad offers the Bank Deposit Sweep Program; this may be the only vehicle available for cash balances (from deposits to the account, securities transactions, dividend and interest payments and other activities) in the account. In addition to the advisory fee, Triad receives compensation in connection with these cash balances held in the account. If cash is swept into a money market fund or the Bank Deposit Sweep Program, Triad receives compensation based on the value of assets in these funds or accounts as broker-dealer. This fee will reduce the amount of interest that clients receive in connection with cash held in their accounts. We will also pay a fee to National Financial Services. Triad will not receive a fee in connections with the Bank Deposit Sweep Program with respect to cash in certain retirement accounts. In such cases, the fee will be retained by the Custodian. Your Investment Adviser Representative will not receive any portion of the Bank Deposit Sweep Program fee received by Triad. Triad has an incentive to recommend that clients select a money market fund or the Bank Deposit Sweep Program as a sweep vehicle as it may pay more compensation to Triad than other funds or available sweep options, if any. Specific program features of the Bank Deposit Sweep Program are further explained in a separate disclosure document provided to all brokerage clients. For additional information on the Bank Deposit Sweep Program including participating banks please contact your Investment Adviser Representative or the number listed on the first page of this document.

### ***Syndicate Offerings***

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. LTCO, an affiliate of Triad may act as an underwriter or manager for such offerings, and as such, will receive compensation equal to either all or a portion of the "gross spread" (the difference between the price the client pays for the security and the price at which it purchased the securities). Triad may also receive a portion of the gross spread as a member of the selling syndicate. The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement. Most Triad Investment Adviser Representatives are also registered broker-dealer representatives of Triad. Triad may share a portion of payments received from a mutual fund or in connection with an initial public offering, a secondary offering, and/or a private placement with these representatives. Triad Investment Adviser Representatives may also receive a portion of the compensation that Triad receives as a member of a selling syndicate. Thus, Triad and its representatives have an incentive to recommend purchases of securities in certain offerings and funds because Triad and its representatives will receive more compensation in connection with these securities than in connection with other types of securities that do not make such payments.

### ***Fixed Income Trading***

Certain securities, such as over-the-counter stocks and fixed income securities are traded primarily in "dealer" markets. In such markets, securities are directly purchased from, or sold to, a financial institution acting as a dealer, or "principal." Dealers executing principal trades typically include a "mark-up," "mark-down," and/or spread in the net price at which transactions are executed. When Ladenburg Thalmann & Co. Inc (LTCO), an affiliate of Triad, executes a transaction for a security traded in the dealer markets, LTCO either will execute the transaction as agent through a dealer unaffiliated with LTCO, or as principal in accordance with applicable law. Clients in the Program will not pay commissions or separate transaction charges to LTCO in connection with

these transactions, however, the client will bear the cost (including any mark-up, mark-down, and/or spread) imposed by the dealer as part of the price of the security. Thus, the dealer will receive compensation in connection with most principal trades. Triad has a conflict of interest in using LTCO to execute principal transactions because LTCO will receive compensation in connection with the trade as dealer, which is in addition to the Wrap Fee. For more information about how this conflict of interest is addressed, see the “Other Financial Industry Activities and Affiliations” section below.

Triad, as broker-dealer or custodian, may charge the client certain additional and/or minimum fees. In addition to The Wrap Fee, each mutual fund or ETF in which clients may invest also bears its own investment advisory fees and other expenses. The mutual funds available through Pinnacle may be available directly from the funds pursuant to the terms of their prospectuses and without paying the Wrap Fee or Manager fee. Exchange-traded funds are also available outside of Pinnacle without paying the Wrap Fee or Manager fee, subject to applicable commissions and/or transaction charges. Further, to the extent that cash used for investment comes from redemptions of a client’s mutual fund or other investments outside of the Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the Wrap Fee on those assets.

Additional expenses associated with the specific underlying investment funds such as, redemption fees may apply. Certain mutual funds used in the Program may charge a redemption fee if shares are redeemed within a specified period of time. Clients may incur redemption fees in the event that a sell is executed or model update is implemented. Redemption fees vary by fund and are described in each fund’s prospectus.

Triad may receive distribution or service (“trail”) fees from the sale of certain mutual funds (including money market funds), pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services. Triad may also receive marketing reallowances and other revenue sharing payments from the sale of limited partnerships, real estate investment trusts (REITs), business development companies and other products on our platform as compensation for distribution or administrative services. These fees may be negotiated by Triad and are distributed from the fund’s total assets or charged to the client as a portion of internal expenses by the product sponsor. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund’s prospectus or a product’s offering documents. Triad may also participate in revenue sharing arrangements based on fees charged on certain mutual funds available on various custodial/recordkeeper platforms. These revenue sharing payments could potentially lead an Investment Adviser Representative to focus more on products offered by firms that make revenue sharing payments to Triad than those firms that do not make such payments when recommending services to their clients

### ***Comparison Cost of Service***

The Wrap Fee may cost clients more or less than purchasing services separately depending on the frequency of trading in the accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other broker-dealers and other factors. Among the factors impacting the relative cost of the program to a particular client include the size of the account, the type of account (i.e., equity or fixed income), and the size of the assets devoted to a particular strategy.

Investment Adviser Representatives receive a substantial portion of the total Wrap Fee charged per the client’s Pinnacle Agreement in the management of the client’s portfolio. This compensation may be more or less than what the Investment Adviser Representative would receive if the client participated in other programs or paid separately for investment advice, brokerage and other services. The Investment Adviser Representatives may therefore have a financial incentive to recommend the Pinnacle Program over other programs or services.

However, in the Pinnacle Program, transaction or ticket charges are paid by your Investment Adviser Representative. Because of this practice you should be aware that an Investment Adviser Representative may have

an incentive to limit trading activities in your account. An account in which there are no transaction charges may cost more or less than a Client would pay if investment advice, brokerage and other services were purchased separately. Prolonged periods of account inactivity may result in higher compensation than if transaction charges were paid separately by Clients for each transaction. In negotiating asset based fees and transaction charges, Investment Adviser Representatives will discuss with Clients the impact of the size of their account and the likely turnover of the account based on the proposed strategy for their account. Investment Adviser Representatives may also recommend an account structure which has varying transaction charges for certain security types (mutual funds, ETFs, equity, fixed income, options and alternatives), which are charged to the Investment Adviser Representative. As a consequence your Investment Adviser Representative has a conflict of interest in recommending one security type over another as they may receive less compensation in their choice of investments in managing your account. As a fiduciary we are required to act in the client's best interest and manage these conflicts via periodic reviews of your accounts.

## **Account Requirements and Types of Clients**

### ***Account Requirements***

Triad does not impose an account minimum; however, accounts in the program generally have over \$150,000 in assets.

### ***Types of Clients***

Pinnacle is designed to assist clients, both individuals and institutions (such as pension and profit sharing plans, trusts, estates, charitable organizations, and corporations).

## **Portfolio Manager Selection and Evaluation**

Investment Adviser Representatives are the only portfolio managers available through Pinnacle. Clients select the Investment Adviser Representatives; Triad does not recommend or replace Investment Adviser Representatives for the Pinnacle wrap fee program.

### ***Individual Needs of Clients and Restrictions***

Investment Adviser Representatives tailor their advisory services to the individual needs of the client. Clients inform their Investment Adviser Representatives of their investment objectives, risk tolerance, and investment time horizon and give their Investment Adviser Representatives any applicable investment policies, guidelines, or reasonable restrictions. Clients may impose reasonable restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. Any restrictions imposed by a client may cause the Investment Adviser Representative to make different recommendations than he or she would in the absence of such restrictions. Thus, the account may not perform as well.

### ***Other Types of Accounts***

Investment Adviser Representatives may provide advisory services under different account structures. Although the services provided are generally the same under each structure, the pricing of each one is structured differently. Clients should understand that the Wrap Fee may cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of the model or program and Investment Adviser Representative, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the: 1) type and size of the account; 2) types of securities in the account; 3) historical and or expected size or number of trades for the account; and 4) number and range of supplementary advisory and client-related services provided to the client.

In addition to the Pinnacle Wrap Fee program described in this brochure, Triad also offers the Crown, Apex and Summit accounts. Under these account structures, clients pay an advisory fee to Triad plus additional charges in

connection with each transaction. Triad Investment Adviser Representatives may utilize these account structures as described in Triad's firm brochure, which is available upon request. Other Advisory Firms may utilize these account structures as described in their firm brochures. Investment Adviser Representatives typically manage accounts in Pinnacle differently than the accounts that pay transaction fees because of the different nature of the services provided.

Several factors may influence the selection of the account structure including but not limited to:

- the client's preference for a "wrap" vs. transaction charges per trade on certain or all securities
- account size
- anticipated trading frequency
- anticipated securities to be traded
- management style
- long term investment goals

### ***Performance-based Fees***

Neither Triad nor any Investment Adviser Representatives accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

Investment Adviser Representatives base recommendations that they make in the Pinnacle account using various types of investment strategies. Each investment style, strategy, and investment entails varying degrees of risk. There can be no assurance that a particular investment or strategy will be successful or that clients will not suffer losses. Results generated by for each account will differ, and the investment advice provided to an individual will differ from client to client. Investment performance is not guaranteed, and the Investment Adviser Representative's past performance with respect to a client's account or other accounts does not predict future performance. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable and each method of analysis employed has specific risks associated with it.

The main sources of information Investment Adviser Representatives may use include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filing with the SEC and company press releases. The investment strategies used to manage accounts may include long term purchases, short term purchases, selling securities within 30 days, short sales, margin transactions, and option trading.

### ***Fundamental analysis***

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

### ***Technical analysis***

Technical analysis involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government

intervention could potentially shorten them. Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

### ***Charting-based analysis***

Charting-based analysis involves the use of patterns in performance charts. We may use charting techniques to search for patterns which might identify favorable conditions for buying and/or selling a security. Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### ***Types of Investments and Risks***

Depending on the type of service being provided, Triad and Investment Adviser Representatives can recommend different types of securities, including mutual funds, unit investment trusts (“UITs”), closed end funds, ETFs, collective investment trusts, variable annuity subaccounts, equities, fixed income securities, options, private funds, and structured products. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of investments that an Investment Adviser Representative may recommend depending on the service provided.

#### ***Market Risk***

This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. The risk rating of any individual strategy or portfolio may be more or less than your stated risk profile in the short term, but should be consistent with your overall investment objectives and risk profile over the stated time horizon.

#### ***Interest Rate Risk***

This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.

#### ***Credit Risk***

This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

#### ***Closed-End Funds***

Client should be aware that closed-end funds may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.

#### ***Exchange-Traded Funds***

ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment

company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.

### ***Exchange-Traded Notes (“ETNs”)***

An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer’s ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer’s credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.

### ***Leveraged and Inverse ETFs, ETNs and Mutual Funds***

Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re- setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

### ***Structured Products***

Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer’s ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer’s credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as

ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

### ***Options Risks***

An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells their option in the secondary market nor exercises it prior to its expiration will necessarily lose their entire investment in the option. An option writer may be assigned an exercise at any time during the period the option is exercisable. Starting with the day it is purchased, an American-style option is subject to being exercised by the option holder at any time until the option expires. This means that the option writer is subject to being assigned an exercise at any time after they have written the option until the option expires or until they have closed out their option position in a closing transaction. By contrast, the writer of an European-style or capped option is subject to assignment only when the option is exercisable or, in the case of a capped option, when the automatic exercise value of the underlying interest hits the cap price. For more information regarding the risks of options, please read the ‘Characteristics and Risks of Standardized Options’ brochure, which can be found at [www.optionsclearing.com](http://www.optionsclearing.com).

### ***Margin & Lending Risk***

Leverage increases a portfolio’s risk as price swings are amplified in a margin account and clients can lose more funds than deposited if value of securities decline. We may be required to cease trading or liquidate securities in an advisory account to meet a margin call or credit line loan demand pursuant to an executed margin or non-purpose loan agreement between you and the lender or custodian. You may lose more than your original investment.

### ***High-Yield Debt***

High-yield debt is issued by companies or municipalities that do not qualify for “investment grade” ratings by one or more rating agencies. The below investment grade designation is based on the rating agency’s opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer’s financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond’s market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.

### ***Private Funds and Managed Futures***

Private and managed futures funds may be purchased by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.

### ***Business Development Companies (“BDCs”)***

BDCs are typically closed-end investment companies. Some BDCs primarily invest in the corporate debt and equity of private companies and may offer attractive yields generated through high credit risk exposures amplified through leverage. As with other high-yield investments, such as floating-rate/leveraged loan funds, private REITs and limited partnerships, investors are exposed to significant market, credit and liquidity risks. In addition, fueled by the availability of low-cost financing, BDCs run the risk of over-leveraging their relatively illiquid portfolios.

Due to the illiquid nature of non-traded BDCs, investors' exit opportunities may be limited only to periodic share repurchases by the BDC at high discounts.

### ***Variable Annuities***

If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.

### ***Company Stock***

If company stock is available as an investment option to client in a retirement plan, and if client chooses to invest in company stock, client should understand the risks associated with holding company stock in a retirement plan. These risks may include, but are not necessarily limited to, lack of liquidity, over-dependency on client's employer, and less flexibility to change the allocation of plan assets. Client should pay careful consideration to the benefits of a diversified portfolio. Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.

### ***Voting Client Securities***

#### ***Proxy Voting.***

Unless the Investment Adviser Representative and the client otherwise agree in writing, Investment Adviser Representative and the Advisory Firm are expressly precluded from taking any action or rendering any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the account. The client expressly retains the authority and responsibility with respect to voting proxies for the account(s) or will delegate discretion with respect to voting such proxies to a third party. If the Investment Adviser Representative receives any proxy materials that pertain to securities held in the account, the Investment Adviser Representative will forward the materials to person designated by the client.

#### ***Class Actions.***

From time to time securities held in your portfolio may be the subject of class action litigation. The decision regarding whether to file a proof of claim in a class action settlement is a question involving legal judgment. We do not instruct or give advice to you on whether or not to participate as a member of class action lawsuits and will not automatically file claims on your behalf. If you request additional assistance, we will provide any transaction information pertaining to your account that may be helpful and/or needed in order for you or your custodian to file a proof of claim in a class action.

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

As described in "Services, Fees and Compensation" above, clients inform their Investment Adviser Representatives of their investment objectives, risk tolerance, and investment time horizon and give their representative any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, the Investment Adviser Representatives provide investment recommendations and/or manage client accounts.

Clients should promptly inform their Investment Adviser Representative of material changes in their financial circumstances or investment objectives. The Investment Adviser Representative will periodically discuss, at least once a year, whether the management of the account continues to reflect the investment objectives and financial requirements of the client.

## Client Contact with Portfolio Managers

Clients are free to contact Investment Adviser Representatives for questions or consultation in regards to their accounts. There are no restrictions placed on clients' ability to contact and consult with Investment Adviser Representatives.

## Additional Information

### ***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 the adviser or the integrity of their management. The following information pertains to Triad. Other Advisory Firms will provide any relevant information about them in their separate disclosure documents.

- FINRA filed a complaint against Triad on 03/22/07 (Case #2006003971501). From 1/1/06 – 3/31/06, Triad failed to report 62 of 100 corporate bond trades within the time period prescribed by FINRA Rule 6230 and in violation of FINRA Rules 2110 and 3010. During the same period, Triad failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Rule 6230 and in violation of Rules 2110 and 3010. Triad paid the fine of \$10,000.
- FINRA filed a complaint against Triad on 03/12/2014 (Case #2011025792001). On March 12, 2014, Triad entered into an Acceptance Waiver and Consent with FINRA concerning consolidated reports, branch audits, supervision, net capital, and Regulation S-P. Triad consented to a censure, a \$650,000 fine, restitution to customers totaling \$375,000, and a review and revision to its consolidated report and branch audit processes.
- The State of Florida entered into a Cease and Desist Order with Triad Advisors (Case #OFR 2015-277) on 7/22/2015. A Florida registered branch of Triad Advisors' broker-dealer failed to maintain a checks received blotter and Triad failed to maintain a copy of the approval of the branches stationary and a record of the broker-dealer representative's outside business activity. Triad paid a fine of \$7,500.
- FINRA filed a complaint against Triad on 02/23/2016 (Case #2014042544301). On February 26, 2016, Triad entered into an Acceptance Waiver and Consent with FINRA due to a failure to apply sales charge discounts to certain customers' eligible purchase of unit investment trusts ("UITs") in violation of FINRA Rule 2010. During the same time period, Triad failed to establish and maintain a supervisory system including written supervisory procedures, reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases in violation of NASD Rule 3010 and FINRA Rule 2010. Triad consented to a censure, a \$125,000 fine and restitution to customers totaling \$102,631.62.

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

Triad is a full service registered broker-dealer. In this capacity, Triad is involved in the purchase and sale of various types of securities, including, but not limited to, stocks, bonds, mutual funds and government securities. More information about Triad is set forth below. Information about other Advisory Firms is set forth in their separate disclosure documents.

In addition to being a registered investment adviser, Triad is a registered full service broker-dealer. Triad is a wholly owned subsidiary of Ladenburg Thalmann Financial Services Inc. (LTFS).

Other companies that are owned by LTFS and thus affiliated with Triad are:

Ladenburg Thalmann Fund Management, LLC (LTFM)	50% owned by LTAM
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Ladenburg Thalmann & Co. Inc. (LTCO)	100% owned by LTFS
Ladenburg Thalmann Capital Agency Inc.	100% owned by LTFS
Ladenburg Thalmann Asset Management, Inc. (LTAM)	100% owned by LTFS
Investacorp, Inc.	100% owned by LTFS
Investacorp Advisory Services Inc.	100% owned by LTFS
Premier Trust, Inc.	100% owned by LTFS
Securities America Financial Corporation (SAFC)	100% owned by LTFS
Securities America, Inc.	100% owned by SAFC
Securities America Advisors, Inc.	100% owned by SAFC
KMS Financial Services, Inc.	100% owned by LTFS
HCHC Acquisition, Inc. (HCHC)	100% owned by LTFS
Highland Capital Brokerage	100% owned by HCHC
Securities Service Network, Inc.	100% owned by LTFS
SSN Advisory, Inc.	100% owned by SSN
Triad Hybrid Solutions, LLC.	100% owned by LTFS
Triad Insurance, Inc.	100% owned by Triad
Arbor Point Advisors, LLC	80% owned by SAFC

#### ***Ladenburg Thalmann Asset Management (LTAM)***

LTAM owns 50% of Ladenburg Thalmann Fund Management, LLC, (LTFM), which is a registered investment adviser. LTFM is an adviser to an open-end registered investment company, the Boyar Value Fund, Inc. This fund is an open-end diversified management investment company. LTCO is the distributor of the fund. LTCO may share a portion of payments received from a mutual fund, Unit Investment Trust (“UIT”), Collective Investment Trust (“CIT”), or in connection with an initial public offering, a secondary offering, and/or a private placement with Triad. Investment advisor representatives may recommend that clients invest in the LTAM Alternative Strategies Fund, Boyar Fund, Ladenburg Total Portfolio Series CITs, and Ladenburg High Income Portfolio UIT, for which LTAM may act as investment adviser and LTCO may act as underwriter or distributor.

#### ***LTAM Fund Management***

The Alternative Strategies Fund pays LTAM a management fee quarterly in arrears which is equal to a maximum of 0.75% per annum of the assets in the fund. For more information, see the fund’s prospectus.

#### ***CIT Management***

The Ladenburg Total Portfolio Series pays LTAM an investment management fee monthly in arrears which is equal to a maximum of 0.30% per annum of the assets in the CITs.

#### ***LTAM High Income Portfolio (UIT)***

For use of the Ladenburg name and providing this initial list of securities to First Trust, LTAM receives a license fee of .10% which is based on assets raised within the UIT during the offering period. In addition, LTAM receives a trust level concession from First Trust on the amount of assets raised for the UIT during its offering period, which is .15% if total assets raised exceed \$15 million and .20% if total assets raised exceed \$25 million. In addition, certain broker-dealers affiliated with LTAM, including Triad, will receive a portion of a dealer concession or agency commission in connection with units of the Ladenburg Thalmann High Income Portfolio UIT that they sell, if those units are subject to a sales charge. A higher concession percentage will be received by the affiliated broker-dealers if certain total sales levels of the UIT are met, as set forth in the UIT prospectus.

### ***Compensation and Reimbursement of Expenses to Ladenburg Thalmann Financial Services Inc. (LTFS) and affiliates***

Ladenburg Thalmann and its Affiliates are also affiliated with SEC registered investment advisory firms, which include Ladenburg Thalmann Asset Management Inc., Securities America Advisors, Inc., Arbor Point Advisors, LLC, Triad Advisors, Inc., Triad Hybrid Solutions, LLC, SSN Advisory, Inc., Investacorp Advisory Services, Inc., and KMS Financial Services, Inc., (together “Ladenburg Thalmann Advisors”). Ladenburg Thalmann Advisors has also created the Strategic Partners Program for independent investment advisors. Investment advisors are selected to participate based on several criteria including, investment strategy, investment performance, transaction reporting capabilities and training and wholesaling support. In exchange for certain benefits, such as an opportunity to participate in Ladenburg Thalmann’s national conferences and broader access to our representatives, investment advisors in the Strategic Partners Program pay to participate in the program by sharing with Ladenburg Thalmann Advisors a portion of the revenue generated by distributing their products and services and or paying a specified annual dollar amount. Ladenburg Thalmann Advisors representatives may also receive reimbursements, marketing and distribution allowances, due diligence fees, or other compensation based on deposits and/or assets under management directly from third-party asset manager program sponsors for the costs of marketing, distribution, business and client development, educational enhancement, and/or due diligence reviews incurred by Ladenburg Thalmann Advisors and/or Ladenburg Thalmann Advisors representatives relating to the promotion or distribution of the program sponsor’s products or services. Ladenburg Thalmann Advisors Strategic Partners pay a flat annual fee. In addition to a flat fee, which may be up to \$150,000 per year, Strategic Partners pay basis points on sales on assets, or a percentage of the Partner’s net advisory fee derived from assets invested through their models. It is important to understand that none of the payments made by the firms participating in the program are paid or directed to any representative who utilizes the services of these investment advisors. For a list of Strategic Partners and additional information on the program please contact your Representative or visit [www.triad-advisors.com/customer-information](http://www.triad-advisors.com/customer-information).

### ***Due Diligence and Product Administration Expenses***

Consistent with prudent product approval and due diligence practices Ladenburg Thalmann may require an independent third party to conduct a review of a product sponsor, investment company, investment advisor, or one of their products or services prior to making the product or service available for solicitation to the general public by representatives. Ladenburg Thalmann may incur costs in connection with the analysis provided by the due diligence analyst. Ladenburg Thalmann may in turn require that the investment company or investment advisor reimburse Ladenburg Thalmann for such expenses. In addition, Ladenburg Thalmann may at its discretion require investment companies and investment advisors to pay annual fees to reimburse Ladenburg Thalmann for ongoing due diligence and product administration expenses.

### ***Income Distribution Partner Program***

Ladenburg Thalmann created the Income Distribution Partner program for certain third party money managers, variable products, mutual fund and fixed insurance product sponsors. These Product Sponsors are selected to participate based on several criteria including product breadth, investment performance, training, wholesaling support, and brand recognition. In exchange for certain benefits, such as broader access to Ladenburg Thalmann representatives, sponsors participating in the Income Distribution Partners program are required to pay Ladenburg Thalmann for participation. The Ladenburg Thalmann income distribution planning desk is available to assist with the development of distribution plans for clients. The income distribution plans use suitable products available from both the Income Distribution Sponsor Partners and products on the Ladenburg Thalmann Approved Product list. Advisors using the planning services are not required to use the products included in the proposal and do not receive a greater or lesser commission for utilizing these products. The marketing educational, and distribution activities paid for with revenue sharing, however, could lead representatives to consider products that make revenue sharing payments to Ladenburg Thalmann, as opposed to sponsors that do

not make such payments. For a list of Income Distribution Partner Program Participants please contact your Representative or visit [www.com.com/customer-information](http://www.com.com/customer-information).

### ***Distribution Partner Program***

Ladenburg Thalmann focuses on a select group of mutual fund, variable annuity and investment management companies providing them greater access to our financial advisors to provide training, education presentations and product information. The purpose is to identify creative ways to help these firms increase field visibility, identify meaningful advisor networking opportunities, present timely products and grow assets. In return for these increased services, these sponsors compensate the firm in the form of revenue sharing payments. In addition to the customary sales commissions paid in connection with sales of mutual funds, variable annuities, third party models and money market funds, these sponsors make payments to Ladenburg Thalmann to participate in the program. The payments consist of amounts up to 10 basis points on a sponsor's sales, up to 5 basis points on assets. In addition, Ladenburg Thalmann may be reimbursed by the Distributor Partner for expenses incurred for various promotional activities including but not limited to sales meetings, conferences and seminars held in the ordinary course of business. Ladenburg Thalmann may receive a flat fee of up to \$100,000 per year, per sponsor, for such reimbursements. For a list of Distribution Partner Program Participants please contact your Representative or visit [www.com.com/customer-information](http://www.com.com/customer-information).

### ***Revenue Sharing and Referral Arrangements with our Clearing Firms***

Ladenburg Thalmann has a referral arrangement with NFS, whereby Ladenburg Thalmann may receive business credits or other compensation from NFS based on the amount of Ladenburg Thalmann client assets custodied by NFS which may be transferred to the advisory platform maintained by Fidelity Institutional Wealth Services Group (IWS), a division of NFS' affiliated company Fidelity Brokerage Services, LLC, by representatives, as well as representatives who may terminate their registration with Ladenburg Thalmann and FINRA and conduct business as an investment advisor representative of an independent registered investment advisor (IRIA). Ladenburg Thalmann may recommend the IWS advisory platform and provide ongoing service and support to IRIs representatives of Ladenburg Thalmann. IRIs are under no obligation to transfer client assets to IWS and do not receive any additional compensation or remuneration for selecting IWS. Similarly, clients do not incur any additional fees or expenses as a result of payments of business credits or compensation by NFS to Ladenburg Thalmann.

### ***Fixed Insurance***

Ladenburg Thalmann affiliates include licensed insurance agencies which may receive commissions in connection with the sale of fixed insurance products by representatives who are licensed to sell fixed insurance products. Ladenburg Thalmann, in addition to receiving commissions on the sale of these insurance products, receives payments from certain insurance sponsors for marketing, training, and distribution support. None of these additional payments, however, are paid or directed to any representative/insurance agent who sells these products. In addition, Ladenburg Thalmann representatives/insurance agents do not receive a greater or lesser commission for sales of these insurance products from which Ladenburg Thalmann receives revenue sharing payments. The marketing, educational, and distribution activities paid for with revenue sharing, however, could lead our representatives/insurance agents to consider insurance products that make revenue sharing payments to Ladenburg Thalmann – as opposed to insurance sponsors that do not make such payments – when recommending insurance products to their clients.

### ***Premier Trust***

Triad Investment Adviser Representatives may recommend Premier Trust to provide trust and administrative services. Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

### ***Ladenburg Thalmann & Co. Inc.***

LTCO acts as a dealer with respect to certain securities, and as such, may execute transactions for Triad clients as principal. As a dealer, LTCO may receive a "mark-up," "mark-down," and/or spread in the net price at which principal transactions are executed. This compensation is in addition to other compensation that client pays to Triad and its affiliates under the Program. Thus, Triad has a conflict of interest in deciding to execute trades through LTCO on a principal basis. Triad addresses this conflict of interest in the following ways. After receiving disclosures about a specific principal transaction with LTCO, clients have the opportunity to reject the transaction before it is completed, to the extent required by applicable law. In addition, Triad has policies and procedures in place to assure that clients receive best execution with respect to principal trades, regardless of whether the trade is executed by LTCO or an unaffiliated dealer.

Triad may also recommend that clients invest in securities issued in an initial public and secondary offering transactions for which LTCO acts as an underwriter and/or a member of the selling group or Triad acts as a member of the selling group. Triad has a conflict of interest in recommending these securities for several reasons. First, LTCO receives all or a portion of the gross spread – the difference between the price that the client pays for the security and the price that LTCO purchases the security for -- in connection with such sales. This gross spread is generally 7%, but may be higher or lower in connection with certain offering. If Triad is a member of the selling group, it also receives a portion of the gross spread. Triad Investment Adviser Representatives generally receive a portion of this compensation as broker-dealer representatives of Triad. In addition, LTCO has a substantial interest—both financial and with respect to its reputation—in assuring that the offering is successful by having a large number of the securities purchased. Finally, in connection with certain offerings, LTCO has an obligation to purchase and resell a certain number of securities. Thus, because of its affiliation with LTCO, Triad has incentives to recommend these investments in these offerings for these reasons, rather than based on a client's needs. To address these conflicts, Triad has policies and procedures in place to make sure that securities in initial public offerings are recommended only to clients for whom they are suitable given the client's investment objectives and assets. In addition, clients are generally given a transaction specific disclosure prior to the client's decision to invest in such securities.

### ***Triad Insurance Inc.***

Certain Triad Investment Adviser Representatives are licensed to sell life and annuity insurance products through Triad Insurance, Inc, (a wholly owned subsidiary of Triad), and various other companies. Triad Insurance, Inc., as well as the appropriately licensed Investment Adviser Representative, will receive compensation for the sale of such products. Triad may recommend the purchase of insurance products in connection with financial planning and related consulting services. Clients are under no obligation to purchase insurance products through any particular insurance agency or representative.

### ***Other Business names and logos***

Investment Adviser Representatives may have their own legal business entities whose business names and logos may appear on marketing materials as approved by Triad, or client statements approved by the Custodians. The Client should understand that these businesses are legal entities of the Investment Adviser Representative and not of Triad, nor the Custodians. Additionally, the business entity may provide services other than as an Investment Adviser Representative as disclosed herein and also provided to Client in each Investment Adviser Representative's Brochure Supplement; However, investment advisory services of the Investment Adviser Representatives are provided through Triad.

### ***Code of Ethics***

Triad has adopted a Code of Ethics for all supervised persons of the firm describing our high standard of business conduct, and fiduciary duty to our clients. All supervised persons at Triad must acknowledge the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended.

The Code of Ethics is enforced through compliance monitoring activities and surveillance. In cases where the firm discovers that an employee has violated a firm policy and/or procedure, the firm's code of business conduct or code of ethics, a state or federal law, regulation of FINRA, the SEC, or other regulatory agency, the Compliance Department will take appropriate steps to investigate the circumstances and will take action commensurate with the manner of the violation. Such actions could take the form of a written warning to the employee in conjunction with the firm's Legal Department, or be as serious as disciplinary action up to and including termination. Any such investigations will be brought to the appropriate regulator's attention, if necessary, which may result in a disclosure of the violation on the employee's U-4 form, if required.

Triad Code of Ethics Rules are designed to ensure that our personnel: a) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; b) at all times place the interests of Triad clients first; c) disclose all actual or potential conflicts; d) adhere to the highest standards of loyalty, candor and care in all matters relating to Triad clients; e) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and f) not use any material non-public information in securities trading. The Code of Ethics also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of these rules, Triad personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of these rules.

Triad personnel are required to conduct their personal investment activities in a manner that is not detrimental to Triad advisory clients. They are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where Triad Investment Adviser Representatives may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons (defined as investment personnel, which includes portfolio managers, assistant portfolio managers, research analysts and trading room personnel, officers of Triad, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from Triad upon request.

A full copy of our Privacy Policy is provided, upon inception, of a new client and is provided each year thereafter. You may request a copy of our Privacy Policy at any time and a copy will be furnished within a reasonable period of time to you at your current address of record.

### ***Interest in Client Transactions and Personal Trading***

Investment Adviser Representatives may buy or sell for their own accounts, securities that are also held by their clients. Such transactions are permitted if in compliance with Triad policy on personal securities transactions. Reports of personal transactions in securities by Triad Investment Adviser Representatives are reviewed by Triad's Compliance department quarterly or more frequently if required. Client should also understand that Triad and Investment Adviser Representative may perform advisory services for various other clients, and that Triad and Investment Adviser Representative may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different.

As described under "Fees and Compensation" above, Triad may also recommend that clients invest in securities issued in an initial public and secondary offering transactions for which LTCO acts as an underwriter and/or a member of the selling group or Triad acts as a member of the selling group. Triad has a conflict of interest in

recommending these securities for several reasons described previously. Triad has policies and procedures in place to monitor such transactions and to review all such transactions for appropriate disclosures and suitability.

### *Brokerage Practices*

Triad acts as broker-dealer for accounts in these programs. Thus, by recommending one of these programs, the Investment Adviser Representative is recommending Triad as broker-dealer. The transaction charges paid in connection with these programs may be more or less than the client would pay for transactions through other broker-dealers. However, these transaction charges are determined taking into account the advisory services provided by Triad. 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, safety of customer funds, execution capability, commission rates and responsiveness. Accordingly, although Triad will negotiate competitive rates with our custodian, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. In recommending broker-dealers for custodial services, Triad considers the following:

- Quality of overall execution services provided;
- Promptness of execution;
- Creditworthiness, financial condition, and business reputation;
- Research (if any) provided;
- Promptness and accuracy of reports on execution;
- Ability and willingness to correct errors;
- Ability to access various market centers;
- The Custodian's facilities and technology;
- Commission or transaction charged to clients;
- Execution and operational capabilities of the broker-dealer

We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is our practice that these orders be "batched" for ease of execution. Since there may be several prices at which the securities transactions are executed and the orders were entered as one order for all accounts. It is our practice to treat all subject accounts equally, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account. Triad may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

Triad receives no products, research, or services (i.e. soft dollars) that it would consider a factor in utilizing a particular broker-dealer. However, as a broker-dealer, Triad receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical database information and computer software that assist Triad's investment management process, from our only custodian, National Financial Services (NFS).

In addition, as broker-dealer, Triad may execute fixed income trades through Advisors Asset Management. A Triad broker-dealer representative may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. Triad does not receive referrals, products, research or services (i.e. soft dollars) in connection with this relationship. However, as

a broker-dealer, Triad receives payments from Advisors Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

### ***Directed Brokerage***

National Financial Services may also sponsor and make available to Triad other products and services that benefit Triad but may not benefit all of its clients' accounts. These benefits may include national, regional or Triad specific educational events, conferences or meetings relating to the programs or brokerage services generally. Other potential benefits may include occasional business entertainment of personnel of Triad by NFS personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Triad in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Triad's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of client accounts, including accounts not maintained at NFS. NFS may also make available to Triad other services intended to help Triad manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications, conferences, roundtables and webinars on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. The practice of directing brokerage is not required by all advisers and we may be unable to achieve the most favorable execution of client transactions at all times. This practice may cost clients more money, however as a fiduciary, Triad endeavors to act in its clients' best interests. Triad's recommendation/requirement that clients maintain their assets in accounts at NFS may be based in part on the benefit to Triad or the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodians, which may create a potential conflict of interest.

### ***Review of Accounts***

Client accounts are reviewed at least annually, or more frequently as agreed. Reviews of investment accounts typically look at portfolio consistency with regards to your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Reviews also consist of covering account holdings, transactions, charges, & performance as provided on such statements and other account reports. Clients who also receive financial planning advice are reviewed on the same schedule. Reviews cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by the client. In either type of review, accounts will also be reviewed upon notice of changes in a client's circumstances.

Accounts are primarily reviewed by your Investment Adviser Representative. In addition, Triad's compliance program includes the periodic review of a sample of customer accounts for consistency with a client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions.

Clients are provided with monthly or quarterly account statements from the qualified custodian, depending on the activity in the account. Reports include details of client holdings, asset allocation, and other transaction information. Also see "Custody" for additional information on custodian and account statements.

Triad or the Investment Adviser Representative may provide you with additional account review reports. Comparisons to market indices and account performance may be used to evaluate account performance in connection with these review reports. We recommend comparing the account statements you receive from the independent custodian with those you receive from us. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

Information in these account review reports may be provided by clients or third parties. Performance information may not be calculated on a uniform and consistent basis. Triad does not independently verify information provided by a custodian, client or other third party, nor does Triad guarantee the accuracy or validity of such information. Triad is not liable in connection with its use of any information provided by a client, a custodian, or other third-party in the account review reports.

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

Triad compensates other persons for client referrals. Triad enters into an agreement with such referral agents and pays them either a flat fee or a portion of the advisory fee. The referral agent discloses to the client at the time of the solicitation, the arrangement and the compensation to be received by the referral agent. The compensation to be paid in connection with these agreements is subject to negotiation between Triad, the investment adviser representative and the referring party. These referral arrangements are designed to comply with SEC regulations as set out in 17 CFR Section 275.206(4)-3. In those states that require solicitors to be licensed or filed as an investment adviser representative, we will require the solicitor to be so licensed or filed under Triad. Triad may receive solicitors' (referral) fees based on a written agreement from unrelated investment adviser firms for referring clients for financial planning and/or investment advisory services. A disclosure letter will be provided to the client prior to or at the time of entering into any solicitation arrangement for financial planning and/or investment advisory services that identifies the solicitation fee. The solicitor's fee does not increase the fees paid by the client. In addition, fixed income transactions executed through some third-party managers are generally charged a mark-up or mark-down and a percentage of this charge is shared with our firm.

Triad may enter into agreements with third parties that will solicit clients for Triad and receive compensation for solicitation efforts. In such instances, the third party solicitor will receive either a percentage of, or a set fee from, the fee charged to the client. If a solicitor is used in connection with a client's account, the structure and arrangement of the solicitation agreement, as well as the compensation paid to the solicitor, will be fully disclosed to the client, which disclosure will be acknowledged in writing by the client when participating in a Triad program. The fee charged to a client is not affected by the use of a third-party solicitor in connection with client accounts, and a client will not be charged any additional fees for the use of such services.

As set forth in "Fees and Compensation" above, Triad and the Investment Adviser Representatives in their capacity as registered representatives of Triad, may receive compensation from third parties in connection with trades executed for or investments held in advisory accounts.

Certain mutual fund issuers and product sponsors may sponsor and pay for client luncheons, or other events, that Triad's Investment Adviser Representatives host. These arrangements may give rise to conflicts of interest, or perceived conflicts of interest, with the firm's clients in connection with Investment Adviser Representative recommendation of certain investment products. However, Triad's commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with Triad's independent decision-making process when choosing the best investment for our clients.

Additionally, we receive additional compensation from Fidelity & National Financial Services ("NFS"), which serve as our Custodian for assets held in customer accounts. More specifically, Fidelity has agreed to pay us a fee when it acts as Custodian for certain assets, namely, certain non-Fidelity No Transaction Fee ("NTF") mutual funds. NTF mutual funds are mutual funds that are offered through advisors or brokers without any transaction

charge. Triad receives additional compensation – from Fidelity, not from our clients – over and above the asset management fee we receive from our clients when such mutual funds are included in our portfolios, and such mutual funds are custodied at Fidelity. Notably, Fidelity mutual funds are excluded from this arrangement, meaning Triad does not receive this fee on any Fidelity mutual funds that are recommended or purchased for client accounts and custodied at Fidelity. Pursuant to Triad’s agreement with Fidelity, Fidelity pays Triad from 2 to 12 basis points (or from \$.02 to \$.12 for every \$100 every year), depending on the amount of eligible client assets held at Fidelity on an ongoing basis. Similar to the luncheons and events described above, this arrangement may, in theory, give rise to conflicts of interest, or perceived conflicts of interest, as Triad would receive more compensation by recommending, or investing in, non-Fidelity NTF funds for clients that are custodied at Fidelity. Clients should be aware, therefore, that Triad’s receipt of additional compensation from Fidelity under this scenario creates a potential conflict of interest since this benefit could influence Triad’s choice of (1) Fidelity over other custodians that do not furnish similar benefits and (2) non-Fidelity NTF mutual funds over other mutual funds not covered by this arrangement with Fidelity. However, Triad’s commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with Triad’s independent decision-making process when choosing the most appropriate investments or custodian for our clients. In addition, as noted above, this additional compensation does not represent additional fees from your accounts to us; they are paid by Fidelity. Finally, we are committed to utilizing whatever fees we may receive under this arrangement to enhance our services to you.

To the extent that Triad is acting as a “Fiduciary” with respect to “Qualified Accounts” subject to “ERISA”, Triad will seek to avoid or remedy any situation where its receipt of compensation from Fidelity for Support Services would be a prohibited transaction under “ERISA”. For purposes of the foregoing, “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the applicable “ERISA-mirror provisions” of Sections 4975 of the Internal Revenue Code of 1986, as amended; “Fiduciary” shall be defined as that term is defined under ERISA; and “Qualified Accounts” shall mean accounts that constitute a retirement plan (including a 401(k) plan) or other employee benefit plan subject to ERISA, an account for a tax-qualified retirement plan (including a Keogh plan), or an individual retirement account under the Internal Revenue Code.

### ***Financial Information***

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about their financial condition. Our firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not currently, nor at any time in the past ten years been the subject of a bankruptcy proceeding. Triad does not require prepayment of advisory fees six months or more in advance.

# Privacy Policy

Rev 01/2015

<b>FACTS</b>	<b>WHAT DOES TRIAD ADVISORS DO WITH YOUR PERSONAL INFORMATION?</b>	
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<b>Why?</b>	<p>Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing of your personal information. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully in order to better understand what we do.</p>
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<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>Social Security Number, Date of Birth, Address, contact information and Income</li> <li>Assets and Investment Experience</li> <li>Account Transactions and Retirement Assets</li> <li>Tax Reporting and Investment Performance Information</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
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<b>How?</b>	<p>All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Triad Advisors chooses to share; and whether you can limit this sharing.</p>
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Reasons we can share your personal information	Does Triad Advisors share?	Can you limit this sharing?
<p><b>For our everyday business purposes</b></p> <p>To administer, manage and service customer accounts, process transactions and provide related services for your accounts, it is necessary for us to provide access to personal information within the Triad Advisors, Inc companies and to certain nonaffiliated companies. We may share your personal information:</p> <ul style="list-style-type: none"> <li>To process your transactions, maintain your account(s), respond to court orders and legal investigations, report to credit bureaus, government entities and our outside auditors.</li> <li>With third party administrators and vendors for the purposes of providing current and future information on your account (such as transaction history, tax information and performance reporting).</li> <li>With affiliated and nonaffiliated entities that perform services for us or function on our behalf (such as check printing services, account aggregation providers, clearing broker-dealers, investment companies, and insurance companies)</li> </ul>	Yes	No
<p><b>For our marketing purposes</b></p> <p>To offer our products and services to you</p>	Yes	No
<p><b>For our Affiliates to market to you</b></p>	Yes	No
<p><b>For nonaffiliates to market to you</b></p>	No	We don't share

<p><b>For joint marketing with other financial companies</b></p> <p>Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans and other financial companies with whom a formal agreement exists between us and them to provide or market financial products or services to you. However, we will not share your information with these financial companies for marketing purposes if your financial advisor is not affiliated with them without your consent, but we may share information with these financial companies where necessary to service your accounts.</p>	<p>Yes</p>	<p>No</p>
<p><b>For clients of Independent registered representatives and investment advisors and Triad Advisors</b></p> <ul style="list-style-type: none"> <li>• If your financial advisor terminates his or her relationship with us and moves to a New Firm, we or your financial advisor may disclose your personal information to the New Firm, unless you instruct us not to. If you do not want us or your financial advisor to disclose your personal information to the New Firm when your financial advisor terminates his or her relationship with us, you may request that we and your financial advisor limit the information that is shared with the New Firm.</li> <li>• Your personal information may also be shared with certain entities that are owned, controlled by or affiliated with your financial advisor, such as an independent insurance agency, accounting firm or independent investment advisory firm.</li> <li>• In the event your financial advisor (or his/her estate) agrees with an unaffiliated financial advisor to sell all or some portion of his/her securities, advisory or insurance business your personal information may be shared with the acquiring financial advisor and his/her New Firm.</li> </ul> <p>If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California, Massachusetts, Maine, New Mexico, North Dakota, or Vermont), then you must give your written consent before we will allow your financial advisor to take any of your personal information to that New Firm.</p>	<p>Yes</p>	<p>Yes</p>
<p><b>Who we are</b></p>		
<p><b>Who is providing this notice?</b></p>	<p>Triad Advisors, Inc. a dually registered broker-dealer and registered investment adviser. Your financial advisor is a registered representative of Triad Advisors and we are required to provide this notice to inform you of how we collect, share and protect your personal information.</p>	
<p><b>What we do</b></p>		
<p><b>How does Triad Advisors protect my personal information?</b></p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include ongoing employee training, computer safeguards and secured files and buildings.</p>	
<p><b>How does Triad Advisors collect my personal information?</b></p>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Open an investment account or deposit money</li> <li>• Seek advice about your investments</li> <li>• Give us your account information or provide employment information</li> <li>• Make a wire transfer</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies</p>	

<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing</p>
<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <p>Our affiliates include companies engaged in the financial services industry with Triad Advisors; financial companies such as Triad Hybrid Solutions, LLC., Ladenburg Thalmann &amp; Co. Inc., Ladenburg Thalmann Alternative Asset Mgmt, Ladenburg Thalmann Fund Management LLC., Premier Trust, Inc., Securities America Inc., Securities America Advisors, Inc., Securities America Financial Corporation, Arbor Point Advisors, LLC, Highland Capital Brokerage, Inc. KMS Financial Services, Inc., Securities Services Network Inc., SSN Advisory, Inc., Investacorp Inc. and Investacorp Advisory Services Inc.</p>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> <li>• Triad Advisors does not share with nonaffiliates so they can market to you.</li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• Triad does not engage in joint marketing.</li> </ul>
<b>To limit our sharing</b>	<p>If you prefer that we not disclose your non-public personal information to persons or companies that are not Triad affiliates, you may opt out of those disclosures, except as to disclosures that are required or permitted by law. If you wish to opt out of any such disclosures of your non-public personal information, you may do so by completing the Non-public Personal Information Opt Out Form and returning it to us as instructed on the Form. Please contact us at the number below to receive a copy of our Opt Out Form.</p> <p>Please be aware, however, that we may not be able to service your needs as effectively if you opt out of information sharing. Depending on specific circumstances, we may need to close your account or cease performing certain services or cease effecting certain transactions for you if you do not allow us to share information with persons or companies whose assistance is critical. Your Triad Registered Representative or Investment Adviser Representative can discuss these matters with you as they relate to your specific circumstances.</p> <p>In addition Triad Advisors has signed the Protocol for Broker Recruiting ("Protocol") which allows the financial advisor servicing your account to take certain limited information in the event he/she leaves Triad Advisors and joins another firm which has also signed the protocol. The information your financial advisor can take is limited to your name, your address, your phone number, your email address and the title of your account. If you choose to Opt-Out Triad Advisors will notify your financial advisor of your decision to keep the information confidential and not let it be taken by your financial advisor to his/her new firm.</p>
<b>Questions?</b>	<p>Triad Advisors, Inc., 5155 Peachtree Parkway, Bldg 300 Suite 3220, Norcross GA 30092. Call 1-800-720-4003 or go to <a href="http://www.com">www.com</a></p>