

**Item 1 – Cover Page**

**Triad Investment Management, LLC.**

**Also Doing Business Under:  
Triad Financial Strategies  
Path Wealth Management**

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Issaquah, Washington 98027  
425-392-2200  
<http://www.com>

Date of Disclosure Brochure: March 2020

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This disclosure brochure provides information about the qualifications and business practices of Triad Investment Management (also referred to as we, us, and TIM throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Tait Lane at 425-392-2200. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about TIM is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Triad Investment Management, LLC or our firm's CRD number 297699.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## Item 2 – Material Changes

Triad Investment Management, LLC, (TIM) Inc is a registered investment adviser and this disclosure brochure dated March 2020 is an amendment to the brochure dated March 2019. TIM has made the following material changes:

- Item 4 and 5 – We disclosed that our wrap fee program is the Triad Investment Management Wrap Fee Program.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Triad Investment Management (TIM) is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of Washington. TIM offers Financial Planning and Consulting Services as well as Investment Advisory Services and other third-party advisory platforms. The investment advisory services of TIM are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative (IAR) of TIM (referred to as your investment adviser representative throughout this brochure).

- Tait C. Lane is the President and Chief Executive Officer (CEO) of TIM. Tait C. Lane owns 100.00% of TIM.
- Randall W. Kim is Chief Compliance Officer (CCO). Mr. Kim became CCO for TIM at the time of its initial filing. Mr. Kim had no prior affiliation with Triad Investment Management or Mr. Tait C. Lane.
- TIM filed its initial application to become registered as an investment adviser in November 2018, which was accepted December 11<sup>th</sup>, 2018.

### **Introduction**

The investment advisory services of TIM are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of TIM (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of TIM. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and TIM before we can provide you the services described below.

### **Financial Planning & Consulting Services**

TIM provides a broad range of financial planning and consulting services. Financial planning services involve preparing a written financial plan covering a specific or multiple topics. We provide full written financial plans, which typically address a grouping of the following topics (*See Item 5*): Investment Policy Statement, Investment Planning/Portfolio Analysis, Retirement Planning, Estate Planning, Critical Event Planning, Education Planning, Charitable Planning, and Business Succession Planning. Your financial planning agreement will specify what topics are included.

When providing financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan.

We also offer consultations where we discuss financial planning issues when you do not need a written financial plan. We offer “as-needed” consultations, which are limited to consultations in response to a particular investment or financial planning issue raised, or request made by you. Under an “as-needed” consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on. We also offer on-going consultations only for those clients who are utilizing our asset management services.

Prior to engaging TIM to provide financial planning services and/or consultation services, the client will generally (i.e. depending upon the level and/or scope of services to be provided) be required to enter into a Financial Planning and Consulting Agreement with TIM setting forth the terms and conditions of the engagement and describing the scope of the services to be provided. In the event the client terminates TIM's Financial Planning and Consulting Agreement, any unearned fee shall be refunded to the client. In performing its services, TIM shall not be required to verify any information received from the client or from the client's other professionals (i.e., attorney, accountant, insurance agent, etc.), and is expressly authorized to rely thereon.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through TIM or retain TIM to actively monitor and manage your investments, you must execute a separate written agreement with TIM for our asset management services.

Upon completion of the initial services, TIM may provide clients with ongoing financial planning and/or investment advisory services. The scope of the ongoing annual financial planning and/or related consultation services to be rendered as part of the combined service is intended to be generally limited to reviewing/evaluating/revising of TIM's previous financial planning recommendations are relative to a change in the client's financial situation or investment objectives. If a client requires unforeseen additional financial planning and/or consultation services, TIM may determine to charge for such additional services, the dollar amount of which shall be set forth a separate written notice to the client. When additional changes are made or charged the client must sign an amendment to the existing contract and agree to any additional charges.

Clients are encouraged to renew TIM's Financial Planning and Consulting Agreement on an annual basis for reviewing/updating TIM's previous recommendations and/or services. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify TIM if there is ever any change in his/her/its financial situation or investment objectives for reviewing/evaluating/revising TIM's previous recommendations and/or services.

### **Asset Management Services**

TIM offers asset management services which involves TIM providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and

you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

As part of our asset management services, we create a portfolio for each client, consisting of individual stocks or bonds, exchange traded funds (ETFs), options, mutual funds and or other public and private securities or investments. The client's individual investment strategy is tailored to the specific needs and may include some or all the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the clients' circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and, if necessary, rebalance the portfolio based upon the client's individual needs, state goals and objectives.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have no obligation to disclose the information to any client or use it for any client's benefit.

### ***Wrap Fee Programs***

#### **Strategic Wealth Management Platform**

Strategic Wealth Management is a comprehensive, open-architecture, fee-based investment platform created by LPL Financial to allow independent investment advisers, such as TIM, to offer clients customized advice and service. The platform provides a foundation to develop long-term financial goals and provide solutions. On the Strategic Wealth Management platform, we offer wrap fee (Triad Investment Management Wrap Fee Program) and non-wrap fee (SWM I) account options. TIM has the fiduciary responsibility on the accounts.

We are the sponsor of the Triad Investment Management Wrap Fee Program, a wrap fee asset management program using the Strategic Wealth Management platform. Through the Strategic Wealth

Management platform, we provide investment management services, including providing continuous investment advice and making investments for you based on your individual needs. Through this service, we offer a customized and individualized investment program. A specific asset allocation strategy is crafted to focus on your specific goals and objectives. Your information should be updated regularly, but at a minimum every 2 years.

The Triad Investment Management Wrap Fee Program accounts are custodied at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL is also an investment advisor registered with the SEC but does not serve as an investment advisor for you through the Triad Investment Management Wrap Fee Program. LPL provides clearing, custody and other brokerage services for accounts established through the Triad Investment Management Wrap Fee Program. Therefore, you are required to establish an advisory account(s) through LPL's Strategic Wealth Management platform. Separate accounts are maintained for you, and you retain all rights of ownership of your accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Triad Investment Management Wrap Fee Program accounts allow you to authorize us to purchase and sell, on a discretionary basis, portfolios consisting of securities and investments.

#### *Wrap Fee Account Disclosures When Using LPL's Strategic Wealth Management Platform*

Although clients do not pay a transaction charge for transactions in a wrap fee program account, clients should be aware that TIM pays LPL transaction charges for those transactions. The transaction charges paid by TIM vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by TIM for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50. Because TIM pays the transaction charges in the Wrap Fee Program Accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to TIM of transaction charges may be a factor that TIM considers when deciding which securities to select and how frequently to place transactions in a SWM II account.

In many instances, LPL makes available on the wrap account platform, mutual funds that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund in a wrap fee program account in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through the TIM wrap fee program. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses ("brokerage-related services") to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

TIM has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline TIM, consciously or unconsciously,

to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, TIM pays LPL a per transaction charge for mutual fund purchases and sales in the account. TIM generally does not pay transaction charges for Class A Share mutual fund transactions accounts, but generally does pay transaction charges for Platform Share mutual fund transactions. The cost to TIM of transaction charges generally may be a factor TIM considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to TIM for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between TIM and the client. In short, it costs TIM less to recommend and select Class A share mutual funds than Platform shares, but Platform shares will generally outperform Class A mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with your Advisor the advisory fee for management of an account.

### **Referral to Third-Party Money Managers**

TIM offers advisory services by referring clients to a third-party money manager offering asset management and other investment advisory services. In designing an investment portfolio for a client, we can work with a third-party money manager, also an investment advisor, who is independent of Triad. When we work with third party money managers, we're utilizing that money manager's experience and strategies, helping to develop a suitable portfolio for each client. We conduct initial and ongoing due diligence on any money manager utilized. We also have discretion authority to add and remove money managers within your investment portfolio. We make sure other advisors are properly registered before we begin working with them.

Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

A complete description of the third-party money manager's services, fee schedules and account minimums will be disclosed in the third-party money manager's disclosure brochure which will be provided to you prior to or at the time an agreement for services is executed and the account is established.

You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services. We are available to answer questions that you have regarding your account and act as the communication conduit between you and the third-party money manager.

The third-party money manager will take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by the third-party money manager.

Clients are advised that there can be other third-party managed programs not recommended by our firm, that are suitable for the client and that can be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm (*Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.*)

## **Retirement Plan Services**

TIM offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

### **Fiduciary Consulting Services**

TIM provides the following Fiduciary Retirement Plan Consulting Services:

- **Investment Policy Statement Preparation.** TIM will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- **Non-Discretionary Investment Advice.** TIM will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- **Investment Selection Services.** TIM will provide you with recommendations of investment options consistent with ERISA section 404(c).
- **Investment Due Diligence Review.** TIM will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.
- **Investment Monitoring.** TIM will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and TIM will make recommendations to maintain or remove and replace investment options.
- **Default Investment Alternative Advice.** TIM will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- **Individualized Participant Advice.** Upon request, TIM will provide one-on-one advice to Plan participants regarding their individual situations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and TIM does not serve as administrator or trustee of the plan. TIM does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

TIM acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. TIM will act in a

manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause TIM to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, TIM (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

### Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

TIM provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. TIM will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. TIM's assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. TIM will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. TIM will assist you with the establishment of a qualified plan by working with you and a selected Third-Party Administrator. If you have not already selected a Third-Party Administrator, we shall assist you with the review and selection of a Third-Party Administrator for the Plan.
- Due Diligence Review. TIM will provide you with periodic due diligence reviews of your Plan's fees and expenses and your Plan's service providers.
- Fiduciary File Set-up. TIM will help you establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. TIM will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe can tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, TIM cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

TIM will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

### ***Newsletters***

TIM provides a variety of newsletter options. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual.

### ***Educational Events***

TIM offers several educational events throughout the year. Educational workshops are informative and motivational and open to existing clients and prospects. Educational events are always offered on an impersonal basis and do not focus on the individual needs of the participants.

### **Limits Advice to Certain Types of Investments**

TIM provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Unit Investment Trusts
- Business Development Companies
- Interests in Partnerships Investing in Real Estate
- Interests in Business Development Companies
- Interests in Partnerships Investing in Oil and Gas Interests

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that can be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we can increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We can modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

**Client Assets Managed by Triad Investment Management**

As of January 4, 2020, TIM has a total of \$225,913,330 in assets under management. \$224,463,517 are managed on a discretionary basis and \$1,449,813 are managed on a non-discretionary basis.

**Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. The exact fees and other terms will be outlined in the agreement between you and TIM.

We believe our fees for investment advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable service can be available from other sources.

**Fees for Financial Planning and Consulting Services**

The following are the fee arrangements available for financial planning and consulting services offered by TIM.

***Fees for Financial Planning & Consulting Services***

### ***Hourly Fee***

TIM provides financial planning & consulting services under an hourly fee arrangement. An hourly fee of \$350 per hour is charged by TIM under this arrangement. Before commencing financial planning or consulting services, TIM provides an estimate of the approximate hours needed to complete the requested financial planning or consulting services. If TIM anticipates exceeding the estimated number of hours required, TIM will contact you to receive authorization to provide additional services. You will pay in advance a mutually agreed upon retainer that will be available for TIM to bill hourly fees against for our financial planning or consulting services; however, under no circumstances will TIM require you to pay fees more than \$1,200 more than six months in advance. Any unpaid hourly fees are due immediately upon completion of services and/or delivery of the financial plan.

### ***Fixed Fee***

TIM also provides financial planning and consulting services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for financial planning and consulting services under this arrangement. There is a range in the amount of the fixed fee charged by TIM for financial planning and consulting services. The minimum fixed fee is generally \$1000, and the maximum fixed fee is generally no more than \$5,000. The amount of the fixed fee for your engagement is specified in your financial planning or consulting agreement with TIM. At our sole discretion, you may be required to pay in advance of the fixed fee at the time you execute an agreement with TIM; however, at no time will TIM require payment of more than 50% in fees more than six months in advance. Upon completion and/or delivery of the financial plan, the fixed fee is considered earned by TIM and any unpaid amount is immediately due.

The fees for the financial planning and consulting services can be waived or reduced by TIM at our sole discretion and will vary among the investment adviser representatives providing this advisory service. Financial planning fees can be waived for family members and long-standing clients from previous firms or if other services of TIM are being used.

Although TIM is not charging investment advisory fees under this Agreement, there are fees and expenses charged by mutual funds to their shareholders if Client invests in mutual funds due in part to the services under this Agreement. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee (known as 12(b)-1 fees). If the mutual fund also imposes sales charges, Client can pay an initial or deferred sales charge.

Likewise, although TIM is not charging investment advisory fees under this Agreement, if Client decides to invest through a qualified custodian due in part to the services under this Agreement, the qualified custodian or broker-dealer executing certain transaction will charge commissions for implementing transactions.

To the extent TIM provides you with general investment recommendations as part of the financial planning or consulting services and you implement such investment recommendations through TIM, we may offer in our agreement with you to waive or reduce the fees for financial planning services.

The financial planning services terminate upon delivery of the written financial plan or upon either party providing the other party with written notice of termination.

Financial consulting services terminate upon completion of the consultations or upon either party providing the other party with written notice of termination.

The financial consulting services will terminate upon either you or TIM providing notice of termination to the other party and there will be no penalty or fees due.

If you terminate the financial planning or consulting services after entering into an agreement with us, you will be responsible for immediate payment of any financial planning and consulting services performed by TIM prior to the receipt by TIM of your notice of termination. For financial planning and consulting services performed by TIM under an hourly arrangement, you will pay TIM for any hourly fees incurred at the rates described above. For financial planning and consulting services performed by TIM under a fixed fee arrangement, you will pay TIM a pro-rated fixed fee equivalent to the percentage of work completed by TIM as determined by TIM. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by TIM to you.

### ***Other Fees for Financial Planning and Consulting Services***

All fees paid to TIM for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you can also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to TIM and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to TIM for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

All fees paid to TIM for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

If you retain TIM to implement the recommendations provided under this service, TIM may recommend load or no-load mutual funds that charge you 12(b)-1 fees. All 12(b)-1 fees are paid to the custodian, LPL. TIM will not receive any 12(b)-1 fees.

### **Asset Management Services**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly cycle, started upon the day in which the account is opened. The fee is calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

The asset management services continue in effect until terminated by either party (i.e., TIM or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly

refunded by TIM to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

The annual fee for asset management services will be between 0.50% and 2.25%.

TIM believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

In addition, you may incur certain charges imposed by third parties other than TIM in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by TIM are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Since Sub-Adviser(s) will charge client fees in addition to and separate from TIM's annual fee, the overall fees incurred by client increase when client (or TIM) elects to use Sub-Adviser(s).

### **Strategic Wealth Management Programs (SWM)**

You can open a SWM I account or wrap account sponsored by TIM. A SWM I account is a non-wrap or traditional account. This means in addition to our investment advisory fee you also pay certain transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform account and application agreement. The Triad Investment Management Wrap Fee Program is a wrap fee account, meaning you do not pay transaction charges associated with trade execution.

The annual investment advisory fee charged will vary between 0.50% – 2.25% of the assets held in the account and is negotiable depending on the market value of the account, asset types, complexity of your portfolio, your financial situation and trading activity. The annual fee is divided and paid quarterly in advance through a direct debit to your account. LPL is responsible for calculating and debiting all fees

from your accounts. You must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to TIM. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter.

Prior to engaging TIM to provide investment management services, you are required to enter into a formal investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we manage your assets and also a separate custodial/clearing agreement with LPL.

You may incur certain charges imposed by third parties other than TIM in connection with investments made through the account including, but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Our management fees (which include transaction and execution fees charged by LPL for Triad Investment Management Wrap Fee Program accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

The wrap and non-wrap accounts may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a wrap or non-wrap managed account.

The cost for a Triad Investment Management Wrap Fee Program account is typically higher than a SWM I account. This is because transaction costs are passed along to you in SWM I accounts while the transaction costs are covered under the overall fee charged for Triad Investment Management Wrap Fee Program accounts. However, we do not always charge a lower advisory fee for SWM I accounts versus the Triad Investment Management Wrap Fee Program accounts.

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services are terminated without penalty and a full refund of all fees paid in advance is provided. If services are terminated after the initial five-day period, we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is actually provided during the final billing period. Termination is effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There is no penalty charge on termination.

All fees paid to TIM for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

If you retain TIM to implement the recommendations provided under this service, TIM may recommend load or no-load mutual funds that charge you 12(b)-1 fees. All 12(b)-1 fees are paid to the custodian, LPL. TIM will not receive any 12(b)-1 fees on advisory accounts.

### **Retirement Plan Services**

For retirement plan sponsor clients, TIM will charge an annual fee that is calculated as a percentage of the value of plan assets. This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested, the representative providing the services and the potential for additional deposits.

TIM charges an annual fee based upon the value of the plan assets. The annual fee for asset management services for retirement plans will be between 0.25% and 1.5%

For individual participants, we do not charge a fee for our services.

For retirement plan sponsors and participants, fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Retirement plan sponsors may also elect to pay all or a portion of fees for the individualized services provided by us to the plan participants.

Fee will be directly deducted from clients' accounts by the custodian.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

TIM does not reasonably expect to receive any other compensation, direct or indirect, for its services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Newsletters**

Newsletters are provided to clients and prospective clients free of charge.

### **Educational Events**

Educational events are always provided free of charge.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

TIM, Inc. provides portfolio management services to individuals, high net worth individuals, and profit-sharing plans, charitable institutions, foundations, endowments, trust programs, and other U.S. and international institutions.

### **Minimum Investment Amounts Required**

There are no minimum investment amounts or conditions required for establishing an account managed by TIM. However, all clients are required to execute an agreement for services in order to establish a client arrangement with TIM and/or the third-party money manager or the sponsor of third-party money manager platforms. Some third-party money managers may have an investment minimum.

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

### **Methods of Analysis**

Investment Planning/Portfolio Analysis - This involves advice with respect to asset allocation, tax-efficiency and investment income accumulation techniques. These techniques are implemented principally through no load mutual funds, equities, ETF's and annuities. Evaluations are made of existing investments in terms of their economic and tax characteristics as well as their suitability for meeting the clients' objectives. Tax consequences and their implications are identified and evaluated. The method of analysis is a culmination of evaluating underlying management expenses, past performance, peer performance, tracking error, comparison of alpha/beta of underlying managers as well as third party analysis. No load mutual funds, ETF's and annuities all have the potential of substantial market value loss. Investing in securities involves risk of loss that clients should be prepared to bear. The following is a list of the various risks:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs in the SWM I accounts.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and TIM and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

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

TIM is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

#### **Registered Representative of a Broker-Dealer**

Our representatives are also registered representatives of LPL, a securities broker-dealer. You can work with your investment adviser representative in his or her separate capacity as a registered representative of LPL.

As a result of this relationship, LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of TIM, even if a client does not establish any account through LPL. If you would like a copy of the privacy policy of LPL, please contact your investment adviser representative.

When acting in his or her separate capacity as a registered representative, your investment adviser representative can sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative can suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL. The commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Some representatives of TIM have received loans from LPL Financial, LLC in order to assist with transitioning the investment adviser representatives of TIM from their former broker-dealer. Although the loan is intended to assist the representatives with transition costs, to the extent that the amount of the loan exceeds the costs of transition, loan recipients are not required to refund the unused portion to LPL Financial, LLC and may use the funds for other purposes.

The loans are forgiven by LPL Financial based upon the length of time the investment adviser representative is affiliated with LPL Financial. The receipt of forgivable loans presents a conflict of interest in that its representatives have a financial incentive to maintain a relationship with LPL Financial. However, to the extent its representatives recommend you use LPL Financial for any services, it is because they believe that it is in your best interest to do so. TIM has systems in place to review the investment adviser representatives' managed accounts for suitability and best execution practices over the course of the advisory relationship.

### **Third-Party Money Managers**

TIM has developed several programs, previously described in *Item 5* of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged for servicing and monitoring your account. Please refer to *Items 4 and 5* for full details regarding the programs, fees, conflicts of interest and materials arrangements when TIM selects other investment advisers.

### **Insurance Agent**

You can work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative can sell, for commissions, disability insurance, life insurance, annuities, long term care and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, can suggest that you implement recommendations of TIM by purchasing these insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

### **Accountant**

Dennis B. Goldstein, an investment adviser representative of TIM, is also a Certified Public Accountant (CPA). If TIM or its investment adviser representatives determine that a client is in need of tax or accounting services, the client can be referred to Dennis B. Goldstein's accounting firm, Dennis B. Goldstein & Associates. In addition, if accounting or tax clients of Dennis B. Goldstein are in need of financial planning or other advisory services, Dennis B. Goldstein, acting in his separate capacity as an accountant, can refer or recommend investment advisory services available through TIM. No referral fees are paid when clients are referred to or from the accounting firm. Clients are not obligated in any manner to use the services of an accounting firm recommended or owned by Dennis B. Goldstein.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. TIM has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. TIM requires its supervised persons to consistently act in your best interest in all advisory activities. TIM imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of TIM. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

TIM or access persons of the firm can buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of TIM that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. TIM and its access persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, access persons):

- Accesspersons cannot prefer their own interests to that of the client.
- Access persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Access persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Access persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Access persons are discouraged from conducting frequent personal trading.
- Access persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of TIM.

### **Code of Ethics for CFP**

In addition to abiding by our Code of Ethics, some of our representatives are Certified Financial Planners™ (CFP®) and also abide by the Code of Ethics and Responsibility Code of the Certified Financial Planner™ Board of Standards, Inc. The Code of Ethics and Responsibility Code requires CFP® designees to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP® designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from one of our representatives.

Any access person not observing our policies is subject to sanctions up to and including termination.

### **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of TIM. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

#### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, TIM may not achieve the most favorable

execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, TIM has decided to require our clients to use LPL as the broker/dealer and qualified custodian.

### **Broker/Dealer Affiliation (LPL Financial)**

If you wish to implement our advice you are free to select any broker dealer you wish. If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL is used. Our representatives are registered representatives of LPL and we are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

Because our representatives are also registered representatives of LPL, LPL provides compliance support to them. LPL also provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

If you wish to implement our advice through any of the programs described in this Disclosure Brochure, LPL will be used as the broker/dealer and/or custodian. LPL will be the primary broker/dealer and custodian recommended due to the relationship our representatives have with LPL. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL, economic benefits may be provided to us by LPL that are not provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL Financial participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations and year-end reports

Please also see *Item 5, Fees and Compensation*, for additional information about advisory services and implementing recommendations.

### **Soft Dollar Benefits**

The supervised persons of TIM may receive “soft dollars” for example marketing support, due diligence incentives along with periodic lunches, dinners and trinkets from various mutual fund companies and insurance companies in which they do business with.

The TIM Policy and Procedures is to do business with the various companies based on their individual merits and product offerings. Any soft dollars received are appreciated, but not expected and not sought out. These types of payments can be seen as a conflict of interest; thus, they are fully disclosed to clients and are discussed in our Code of Ethics.

### **Handling Trade Errors**

TIM has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of TIM to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by TIM if the error is caused by TIM. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client’s account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. TIM may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

TIM will never benefit or profit from trade errors.

### **Block Trading Policy**

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. TIM does not engage in block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or “block” client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

### **Agency Cross Transactions**

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least annually. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by your Investment Advisor Representative, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party money managers are reviewed at least annually, usually when statements and/or reports are received from the money manager.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

Whether reports by an outside money manager are provided to you will depend upon the outside money manager.

You are encouraged to always compare any reports or statements provided by us or a third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm.

### **Item 14 – Client Referrals and Other Compensation**

TIM has entered into an agreement with employees to receive compensation for referrals (Referring Parties), to refer clients to TIM. If a referred client enters into an investment advisory agreement with TIM, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and TIM will not result in any charges to clients in addition to the normal level of advisory fees charged.

When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor's Disclosure Statement document.

The referral agreements between TIM and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our

clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. According to this definition, TIM does **not** have custody of client funds or securities.

### **Item 16 – Investment Discretion**

When providing asset management services, TIM maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You may also place reasonable limitations on the discretionary power granted to TIM so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Client will grant TIM discretionary authority (without first consulting with client) to establish and/or terminate a relationship with a Sub-Adviser for purposes of managing the account or a portion of the account determined by TIM. Client will also grant the Sub-Adviser selected by TIM with the discretionary authority (in the sole discretion of the Sub-Adviser without first consulting with client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the account managed by the Sub-Adviser. Client will also grant the Sub-Adviser selected by TIM with the power and authority to carry out these decisions by giving instructions, on behalf of client, to brokers and dealers and the qualified custodian(s) of the account. Client authorizes TIM to provide a copy of this Agreement to the qualified custodian or any broker or dealer, through which transactions will be implemented on behalf of client, as evidence of Sub-Adviser's authority under this Agreement.

### **Item 17 – Voting Client Securities**

We do not accept the proxy authority to vote client securities. Clients will receive proxies or solicitations directly from their custodian or a transfer agent. In the event the proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future.

With respect to any of your assets subject to sub-advisory relationships, we do not perform proxy-voting services on your behalf. You will need to refer to each sub-advisor's disclosure brochure to determine whether the sub-adviser will vote proxies on your behalf. You may request a complete copy of sub-advisor's proxy voting policies and procedures.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting TIM at the address or phone number indicated on Page 1 of this disclosure document.

### **Class Action Lawsuits**

You retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. TIM does not initiate such a legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether the client should join a class-action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, our services do not include monitoring or informing you of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for you.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about TIM, Inc's financial condition. TIM has no financial commitments or conditions that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Triad does not take custody of client funds or securities.

### **No Arrangement with Issuer of Securities**

TIM and its management do not have any relationship or arrangement with any issuer of securities.

### **Customer Privacy Policy Notice**

**Commitment to Your Private Information:** TIM has a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.

### **Business Continuity Plan**

TIM has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational. An overview of our Business Continuity Plan can be found on our website.

