

**Part 2A, Appendix I of Form ADV:  
*Wrap Fee Program Brochure***

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**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Brown, Lisle/Cummings, Inc. ("BLC"). If you have any questions about the contents of this Wrap Fee Program Brochure or the BLC Disclosure Brochure, please contact us at (401) 421-8900 or [dizzi@brownlc.com](mailto:dizzi@brownlc.com) or [mplante@brownlc.com](mailto:mplante@brownlc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.**

**Additional information about BLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 1331.**

## **Item 2. Material Changes**

Since the firm's initial Form ADV Part 2A Appendix I filing on April 6, 2021, this Wrap Fee Program Brochure was amended to reflect the firm's SEC registration approval. As part of this filing on August 10, 2021, Item 10 was removed.

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## **Item 4. Services, Fees, and Compensation**

The Brown, Lisle/Cummings, Inc. ("BLC") Wrap Program (the "Program") is a wrap fee program sponsored by BLC. BLC is an investment adviser registered with the SEC.

BLC is also a FINRA-member broker-dealer registered with the SEC and over thirty states. BLC's principal place of business is located in Providence, Rhode Island. BLC was founded in 1912 and has been registered as an investment adviser since 2006 and with the SEC as a broker-dealer since 1966.

BLC offers the following advisory services to our clients: Individual Portfolio Management, Financial Planning, and Financial Consulting. Our Individual Portfolio Management services are provided under the Program, wherein we are able to offer participants discretionary or non-discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution (excluding mark-ups and mark-downs), custody, reporting, platform fees, and investment management fees. All prospective Program participants should read both our Disclosure Brochure and this Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program.

### INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm offers portfolio management services to its advisory clients. We will provide continuous advice to a client regarding the investment of client funds based on the client's individual needs. Through personal discussions in which a client's goals and objectives are established, we develop a client's personal investment strategy and create and manage a portfolio based on that strategy.

During this data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the client's stated objectives (e.g., growth, income, and a balance between growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities: individual stocks, bonds, options, mutual funds, and exchange-traded funds (“ETFs”). Because some types of investments, such as options, involve certain additional degrees of risk, they will only be implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Our portfolio management services are provided exclusively on a wrap fee basis. Under our wrap fee program, the client receives our portfolio management services, the execution of securities brokerage transactions, custody, investment platform fees, and reporting services for a single specified fee. When managing a client’s account on a wrap fee basis, we receive as payment for our services, the balance of the wrap fee after all other costs incorporated into the wrap fee program have been deducted. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in our separate Wrap Fee Program Brochure. Conflict of Interest: Because we pay wrap program transaction fees and/or commissions to the account custodian/broker-dealer, we have an economic incentive to minimize the number of trades in client accounts.

Clients who wish to engage us for portfolio management services must be willing to accept that these services are only provided on a wrap fee basis. We do not provide portfolio management on a non-wrap fee basis. For clients who do not desire a wrap fee arrangement, or for those who do not believe the amount of trading in their account(s) justifies such a wrap fee, we can be separately engaged in our capacity as a broker-dealer. If requested, we can assist the client in determining the appropriate type of engagement by reviewing the actual and expected amount of account trading activity, at the outset of the client engagement and/or at any point thereafter. As a result of these reviews, we can recommend the form of engagement that we believe is in the client’s best interest, but the ultimate decision will always be left to the client.

### PROGRAM FEES

The annual Program fee is based on the amount of assets under our management as follows:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
The first \$1,000,000	1.50%
The next \$1,000,000	1.25%
Over \$2,000,000	1.00%

For example, if a client's account is valued at \$3,000,000, the annual fee would be calculated as follows:  $(\$1,000,000 \times 1.50\%) + (\$1,000,000 \times 1.25\%) + (\$1,000,000 \times 1.00\%)$ .

Our fees are assessed quarterly, in advance, at the beginning of each quarter. Therefore, clients are charged  $\frac{1}{4}$  of their annual advisory fee every three months. The fee is based upon the market value of the client's account at the end of the previous three month period. Fees and/or credits, as applicable, are applied on a prorated basis for account deposits and withdrawals during the following fee period. Clients will be invoiced or have their fees debited from the account in accordance with client authorization.

#### GENERAL INFORMATION

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. The fee is not charged on the basis of a share of capital gains upon or capital appreciation of any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter the "Act").

***Negotiability of Fees:*** In certain circumstances, our fees may be negotiable based on a variety of subjective and objective factors, including but not limited to: the amount of assets to be managed; account composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; negotiations with the client; and other factors. In addition, certain legacy clients may be subject to fee arrangements no longer offered to new clients and not described in this Disclosure Brochure. All clients are advised to consult their services agreement with BLC for details on their specific fee arrangement. As a result of these factors, similarly-situated clients could pay different fees, and the services to be provided by BLC to any particular client could be available from other advisers at lower fees.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As

disclosed above, certain fees may be paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any unpaid fees will be due and payable. In calculating a client's reimbursement of fees for Program accounts, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Fund Fees:*** All fees paid to BLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each 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, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to BLC's advisory fees, IRA clients are also responsible for custodial maintenance fees that are assessed by the clearing broker. Under wrap fee engagements, BLC shall pay all other expenses, such as brokerage commissions, custody fees, and platform fees. Please refer to Item 12 of this Brochure for additional information about our brokerage practices.

Participation in the Program may cost more or less than purchasing such services separately. Also, the Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if we were to negotiate transaction fees and seek best price and execution of transactions for the client's account. However, our Individual Portfolio Management services are only offered on a wrap fee basis.

The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, tradeaway fees, transfer taxes, odd lot differentials,

exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

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

## **Item 5. Account Requirements and Types of Clients**

BLC provides its advisory services, where appropriate, to individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations and other business entities.

*Grandfathering of Minimum Account Requirements:* Pre-existing advisory clients are subject to BLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's fees and minimum account requirements will differ among clients.

## **Item 6. Portfolio Manager Selection and Evaluation**

We act as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by BLC, a conflict of interest arises in that we have a disincentive to trade securities in the client account. In addition, the amount of compensation received by BLC as a result of the client's participation in the Program may be more than what we would receive if the client paid separately for investment advice, brokerage and other services.

*Advisory Business.* As discussed below, in addition to Individual Portfolio Management offered under the Program, we also offer to our clients financial planning, as well as financial consulting, services.

### FINANCIAL PLANNING

Financial planning services can be provided either on a standalone basis, or in combination with one or more of our other services. Financial planning is an in-depth evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the

entire financial and life situation of the client. Clients purchasing this service receive a written report that provides the client with a detailed financial plan designed to help achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- PERSONAL: We review family records, budgeting, personal liability, estate information and financial goals.
- TAX & CASH FLOW: We analyze the client's income tax and spending and planning for past, current and future years; we then illustrate the impact of various investments on the client's current income tax and future tax liability.
- INVESTMENTS: We analyze investment options and their effect on the client's portfolio.
- INSURANCE: We review existing policies to ensure proper coverage for life, health, disability, and long-term care.
- RETIREMENT: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- DEATH & DISABILITY: We review the client's cash needs at death, income needs of surviving dependents, and disability income.
- ESTATE: We assist the client in assessing and developing long-term estate planning strategies, including the appropriateness of living trusts, wills, powers of attorney, beneficiary designations, gifts, and asset protection plans.

We gather required information through in-depth personal interviews. Information gathered includes a client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. For standalone financial planning engagements, the planning engagement ends at the time the plan is presented to the client, and we typically do not provide ongoing monitoring of, or updates to, the financial plan. Clients who have received a financial plan, and who subsequently wish to have such plan reviewed and, if appropriate, revised, can engage us to do so under a separate agreement.

When we provide financial planning services in combination with our ongoing portfolio management service, we will not provide ongoing monitoring of our planning recommendations, but we will remain available during the term of the ongoing engagement to review and, if appropriate, revise previously-provided financial planning recommendations at the request of the client.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

#### FINANCIAL CONSULTING

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client, such as the review of a client's existing investment portfolio or the review of client assets managed by other investment professionals.

Financial Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. The client is exclusively responsible for determining whether and how to implement our financial consulting recommendations. We do not provide ongoing monitoring of our financial consulting recommendations. However, subsequent to delivery of our financial consulting recommendations, the client may engage us to review and, if appropriate, revise such recommendations pursuant to a separate agreement.

***Performance-Based Fees and Side-by-Side Management.*** We do not charge performance-based fees. Performance-based fees are 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 of Loss.*** We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Generally.*** We have contracted with Envestnet Asset Management, Inc. (“Envestnet”), a registered investment adviser, to use their Managed Account Solutions Program (the “MAS Program”). The MAS Program provides us with a technology platform to support performance reporting and fee calculation billing. The services provided in the MAS Program also include:

- Assessment of the client’s investment needs and objectives;
- Development of an asset allocation strategy designed to meet the client’s objectives;
- Recommendations on suitable style allocations;
- Review of client accounts to ensure adherence to policy guidelines and asset allocation;
- Recommendations for account rebalancing, if necessary;
- Online and paper reporting of client account(s) performance and progress; and
- Fully integrated back office support systems to advisers, including custody, trade execution, and confirmation and statement generation through National Financial Services, LLC, Members NYSE, SIPC.

BLC and the client compile pertinent financial and demographic information to develop an investment strategy that will seek to meet the client’s goals and objectives. The client’s information is electronically forwarded to Envestnet and an investment proposal is generated for review by BLC. We analyze the proposal and recommend an appropriate investment strategy to the client based on that client’s needs and objectives, investment time horizon, risk tolerance and any other pertinent factors.

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Technical Analysis.*** Technical analysis involves the analysis of past market movements and the application of that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to predict future price movement.

Charting and cyclical analysis are types of technical analysis that we use. Charting involves the review of charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse. Cyclical analysis involves measuring the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

***Mutual fund and/or ETF analysis.*** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

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

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Short-term purchases.*** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and may result in increased transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Margin.** We do not use margin transactions as an investment strategy. However, we do recommend, where appropriate, that a client establish a margin account with the client's broker. In this situation, if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have difficulty completing the sale.

**Options<sup>1</sup>.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are "calls" and "puts." A call gives a client the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives a client the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security in our client's portfolios.

We also may use "covered calls", in which we sell an option on a security held in our client's portfolios. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

In addition, we may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible

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<sup>1</sup> For more information regarding options, you may refer to The Options Industry Council website: <http://www.888options.com/basics/default.jsp>

loss. A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

### RISK OF LOSS

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

*Voting Client Securities.* BLC does not vote client securities. Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore, BLC and/or the client shall instruct each custodian of the applicable assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

BLC also does not typically provide advice to clients regarding the clients' voting of securities.

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

We serve as the Program's portfolio manager. We provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). We then allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at anytime, impose restrictions, in writing, on our investment management services.

Each client is advised that it remains their responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

### **Item 8. Client Contact with Portfolio Managers**

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

## **Item 9. Additional Information**

*Disciplinary Information.* We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose under this item, please refer to Item 19 of our Disclosure Brochure for additional reportable disciplinary history.

*Other Financial Industry Activities and Affiliations.* As disclosed in Item 4 of our Disclosure Brochure, BLC is also a FINRA-member broker-dealer, and many of our management persons and other employees are registered representatives of BLC. In addition, some of our management persons and other employees are insurance agents for one unaffiliated insurance companies. Please see the disclosure in Item 5 of our Disclosure Brochure for information regarding these relationships and the applicable conflicts of interest.

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

### CODE OF ETHICS

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. BLC and our personnel owe a duty of loyalty, fairness and good faith to our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code.

BLC's Code of Ethics includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics requires that anyone associated with this advisory practice with access to advisory recommendations, client holdings or other specified information provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's designated officer. These reports are made available to an appropriate regulatory agency upon request and will be reviewed on a regular basis by the Chief Compliance Officer of BLC, or his designee, to supervise compliance with the firm's Code of Ethics.

Additionally, our Code of Ethics requires prior firm approval of any acquisition of securities in a limited offering (e.g., private placement) and prohibits its employees from participating in an initial public offering (“IPO”).

Our Code also contains oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email to [dizzi@brownlc.com](mailto:dizzi@brownlc.com) or [mplante@brownlc.com](mailto:mplante@brownlc.com), or by telephone at (401) 421-8900.

### PERSONAL TRADING POLICY

Our firm and the individuals associated with our firm may buy or sell securities for their personal accounts that are identical to or different from those recommended to our clients. In addition, the firm and these individuals may have an interest or position in a security which may also be recommended to a client. As these situations represent actual or potential conflicts of interest with our clients, we have taken the following steps to assure that (i) the personal securities transactions of our employees will not interfere with making and implementing decisions in the best interest of our advisory clients, (ii) our firm complies with its regulatory obligations, and (iii) we provide our clients with full and fair disclosure of such conflicts of interest:

1. Prohibiting the firm, its management persons and employees from:
  - a. Putting their own interest above the interest of an advisory client.
  - b. Buying or selling securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
  - c. Purchasing or selling any security immediately prior to a transaction(s) in the same securities being implemented for an advisory account.
2. Our firm requires prior approval for any private placement investments by access persons of the firm and prohibits all of its employees from participating in IPOs.
3. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access persons"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his designee.
4. We have established procedures for the maintenance of all required books and records.
5. We require all of our management persons and employees to act in

- accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. We provide each of our employees with a copy of the Code of Ethics on an annual basis.
  7. We have established policies requiring the reporting of Code of Ethics violations to our Chief Compliance Officer.
  8. Any individual who violates any of the above restrictions may be subject to termination.

### PRINCIPAL TRANSACTIONS

BLC and individuals associated with our firm are prohibited from engaging in principal transactions with advisory clients. A principal transaction is a transaction where BLC or a person associated with BLC, as principal, buys securities from, or sells securities to, a BLC client.

BLC may engage in principal transactions with brokerage-only clients.

### AGENCY CROSS TRANSACTIONS

BLC and individuals associated with our firm are prohibited from engaging in agency cross transactions. An agency cross transaction is a transaction in which BLC acts as an investment adviser and broker-dealer for an advisory client and another person on the other side of the transaction.

### *Review of Accounts.*

### INDIVIDUAL PORTFOLIO MANAGEMENT

Reviews: While the underlying securities within Individual Portfolio Management accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Maria Plante, Assistant Compliance Officer and/or David Izzi, Chief Compliance Officer.

Reports: Client receives from the custodian, monthly statements, confirmations of transactions, and tax reporting information.

## FINANCIAL PLANNING/ FINANCIAL CONSULTING

These clients will receive reviews and reports as contracted for at the inception of the advisory engagement.

***Client Referrals and Other Compensation.*** It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is also our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

***Financial Information.*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. BLC has no additional financial circumstances to report and has never been the subject of a bankruptcy petition.