IFS Advisors, Inc.

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This brochure provides information about the qualifications and business practices of IFS Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (941) 907-8888. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about IFS Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. You can view information on this website by searching for IFS Advisors, Inc.'s name or by using its CRD number: 153975.

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

Item 2 – Material Changes

We ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our 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 a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

This Item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of the brochure.

We have updated this section to discuss material changes made to this document since the last update on March 29, 2019.

Summary of Material Changes since the Last Annual Update in March 2019:

- Item 5 has been updated to remove the description explaining the use of sub-advisor through our Asset Management Services. We do not utilize third-party investment managers who provide discretionary management of individual portfolios and have removed all prior references of doing so.
- We lowered the maximum fee charged for our Asset Management Services from 1.20% annually to 1.10%.
- Item 5 has been updated to better explain our procedures for *not* accepting 12b-1 fees, trails or other commissions in BASIC accounts.
- Item 8 has been updated to explain the risks associated with the different methods of analysis used by our firm.

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Item 4 – Advisory Business

Ownership

IFS Advisors, Inc. (“Advisor” or “we”) has been registered as an investment advisor since January 2011. We are a Florida corporation and our 100% owner is Daniel J. Wolff.

- The advisor representatives of Advisor are also licensed as registered representatives with Securities America, Inc. a registered broker/dealer, member FINRA/SIPC, and are also independent insurance agents. When acting in these capacities, our advisor representatives will earn commissions via services provided through Securities America. These conflict of interest situations are discussed in more detail at *Item 5, Item 10, Item 12, and Item 14 of this Disclosure Brochure*.

General Description of Advisory Services We Offer

We offer personalized investment advisory services including financial planning and asset management services. The following are brief descriptions of our primary services. A more detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

Due to the close relationship between financial planning and investment advisory work, we prefer to work with clients for whom we have an ongoing agreement to provide both financial planning and investment advisory services. Therefore, our ongoing investment advisory fees are designed to create enough revenue to pay for both services as one unified service. IFS Advisors, Inc.’s annual fee for Investment Advisory Services and ongoing financial planning services are based on a percentage of assets under management and generally range from 0.50% to 1.00%, payable quarterly.

Financial Planning Services

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer advisory services in the form of modular financial plans. These services do not involve actively managing your accounts. Instead, comprehensive planning services focus on your overall financial situation. Modular planning services focus on specific areas of concern to you.

We reserve the discretion to reduce or waive the financial planning fees if a financial planning client chooses to engage us for Asset Management Services.

Asset Management Services

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio consisting of individual stocks and bonds, exchange traded funds (“ETFs”), options, mutual funds, and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. We manage investment advisory accounts on a discretionary basis or nondiscretionary basis. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's 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, stated goals and objectives. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. However, we will not enter into an investment advisor relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Wrap-Fee Program versus Portfolio Management Program

In traditional asset management programs, advisory services are provided for a fee but certain expenses (described below) are billed separately. In wrap-fee programs, advisory services (including portfolio management or advice regarding selecting other investment advisors) and transaction services are provided for one all-in fee.

Accounts managed by IFS Advisors are not wrap-fee programs and will have certain fees, whether transaction-related or other, passed through to the client. These will include, among other things, transaction costs for trades, annual maintenance fees, and fees for holding non-traditional assets. Whenever a fee (as described above, excluding advisory fees) is charged to a client for services described in this Disclosure Brochure, we may receive a portion of the fee charged, but typically, they will match the transaction cost incurred.

Client Assets Managed by Advisor

As of December 31, 2019, advisory assets under management for IFS Advisors, Inc. totaled $151,664,885. This number is comprised of $149,665,571 of Discretionary Assets and $1,999,314 of Non-Discretionary Assets. These numbers do not include client assets managed in a separate capacity as registered representatives of Securities America, Inc. to render securities brokerage services under a commission arrangement, outside of their role as investment advisor representatives with us.

Item 5 – Fees and Compensation

In addition to the information provide in **Item 4, Advisory Business**, this section provides additional details regarding our services along with descriptions of each service's fees and compensation arrangements.

Financial Planning Services

Financial Plans

We offer financial plans that can be either oral or written and segmented or comprehensive. Plans can include, but are not limited to, the following topics:

- Budget and cash flow analysis
- Income tax planning including tax advice and recommendations related to:

- IRA Strategies
- Tax Efficient Investing
- Capital gains planning / loss harvesting

- Education planning
- Retirement planning
- Estate planning
- Investment analysis and planning

Our investment advisor representatives ("Representatives") meet with you to gather information and documentation needed to perform an analysis and review of your situation as well as your objectives and goals. Information collected can include completed client data and risk analysis questionnaires, tax returns, financial statements, wills, trusts and insurance policies. The initial meeting is free. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet your needs.

We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you or your other professional consultants (i.e., attorney, accountant, etc.). You are also urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation. We also request that you notify us if there is ever a change in your financial situation or investment objectives so that we can review, evaluate and/or revise any prior recommendations made or services provided.

After completing a review and analysis of the information and documents received, our representatives develop their analyses and recommendations and present the requested plan. A comprehensive plan focuses on your overall financial situation and covers several of the areas previously noted, as needed by your specific situation. A modular (segmented) plan focuses only on one or more specific area(s) of concern, and you should be aware that other important issues may not be taken into consideration when our representatives develop their analyses and recommendations relative to actions and investment strategies designed to attain your goals and objectives.

Fees for financial planning services are charged as a fixed fee not exceeding $10,000 and negotiable based upon the complexity of your situation and the actual services requested. Fees are disclosed to you prior to services being provided. A retainer of one-half of the quoted fee may be due at the time you sign the client agreement, with the remainder due when the plan is presented to you. Financial planning services may continue for an annual fee and remain in effect until terminated by the parties. Fees are due and payable upon receipt of our billing statement. All fees are negotiable based on the actual services provided and the complexity of your situation.

Ongoing financial planning fees are designed to address among other things, the following:

- Budget and cash flow analysis
- Income tax planning
- Education planning
- Retirement planning
- Estate planning
- Investment analysis and planning

Termination

Either party can terminate services at any time by submitting oral or written notice to all appropriate parties. Termination is effective immediately upon receiving notice. If services are terminated within five business days of signing the client agreement, they are terminated without penalty. If services are terminated after the initial five business days, you are responsible for paying fees for the time and effort expended by us prior to the effective date of termination.

Asset Management Services

Our clients may elect to engage us to provide fee-based asset management services (Broad Allocation Selection of Investment Choices Program, "BASIC"), where we are solely responsible for making all investment recommendations and also for making changes to the managed account. If you elect to engage us for this service, we develop an individualized investment program for your account(s). We provide various investment strategies through our management services; a specific investment strategy and investment policy is crafted for you and focuses on your specific goals and objectives.

To provide these services, we need to obtain certain information from you to determine your financial situation and investment objectives. **You** are reminded to notify us whether your financial situation or investment objectives have changed or if you want to impose and/or modify any reasonable restrictions on management of your accounts. At least annually, we contact you to determine whether your financial situation or investment objectives have changed, or if you want to impose and/or modify any reasonable restrictions on your managed accounts. We are always reasonably available to consult with you regarding the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase or sell certain securities. Your beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account. A separate account is maintained for you with the custodian and you retain right of ownership of the account (e.g., the right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations).

It is important that you understand 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 we take 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 arise in allocating investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by us equitably and consistent with the best interests of all accounts involved. However, there is no assurance that a particular investment opportunity that comes to our attention is 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 absolutely no obligation to disclose the information to you or any other client, or use it for any client's benefit.

Our representatives will assist you in selecting an asset allocation based on your investment objectives, financial condition, tax situation, time horizon and risk tolerance (among other factors). The selected allocation may consist of a portfolio including, but not limited to, individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. Mutual funds that are purchased are typically either no-load funds or A shares purchased at net asset value (NAV). These investment vehicles can be equity and/or fixed income.

Fixed income allocations can include, but are not limited to:

- Money market funds
- U.S. Government securities
- Foreign or global government securities
- U.S. corporate securities
- Foreign corporate securities
- Municipal bonds
- Diversified and/or strategic securities

Equity allocations can include, but are not limited to:

- Equity income
- Growth and income
- Growth
- Aggressive Growth
- Global
- International
- Emerging Markets
- Special situations

Your assets are reallocated or repositioned as our representatives believe appropriate. Any asset reallocation can trigger taxable events except when involving IRA, Roth IRA, 401(k), 403(b), tax-deferred annuities, or other qualified retirement plan accounts. You may also incur transaction costs and/or fees charged every time assets are reallocated.

We require advisory accounts to be maintained at TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC (or its successor) with brokerage services provided exclusively by TD Ameritrade, Inc. ("Custodian" or "TD Ameritrade). See **Item 12, Brokerage Practices,** for additional discussion relating to our recommendation of and use of Custodian. We assist you in establishing a managed account through Custodian, and Custodian maintains custody of your funds and securities. Neither we nor our representatives act as custodian and we do not have access to your funds and securities except for our ability to deduct advisory fees directly from your account to be paid to us by the custodian with your prior written authorization.

We are granted trading authorization on your accounts and provide management services on either a discretionary or non-discretionary basis. On a discretionary basis, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary authority and can place reasonable restrictions and limitations on the authority and portfolio holdings. On a non-discretionary basis, we contact you prior to making any transactions in your account. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

Our firms' annual fees for traditional asset management services (under the BASIC program) provided under this Agreement shall be based on the market value of assets under management and shall not exceed 1.10% depending on the client's assets under management. These fees are negotiable based on certain client-specific circumstances. These fees are billed quarterly, either in advance or arrears but typically in advance. Fees are based on the account's fair market value on the last business day of the previous quarter. Accounts opened mid-quarter are prorated.

You have the option to have management fees deducted from an account or to be billed directly. If deducted from an account, you must provide Custodian with written authorization to have fees deducted and paid to us. At the beginning of a new quarter, we send a payment request to Custodian to have the fees deducted. At least quarterly, the Custodian sends you an account statement reflecting the advisory fees deducted from the account. If you elect to pay directly, we provide you with a detailed billing statement and fees are due immediately upon receiving it.

Custodian charges separately for maintaining custody of your accounts and charges brokerage commissions and/or transaction fees directly to you. We do not receive any portion of the commission or fees charged by the Custodian. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through your account, including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, and IRA and qualified retirement plan fees. Our management fees 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 security prospectus.

Either party may terminate services by providing oral or written notice to the other. Termination is effective immediately upon receiving notice. If services are terminated within five business days of signing the client agreement, they are terminated without penalty. If services are terminated after the initial five business days, you are responsible for paying fees for the time and effort expended by us prior to the effective date of termination. We provide you with any prorated refund due to you or will request any prorated fee due from you (if billing in arrears). Custodian also provides you with a monthly statement showing advisory fees deducted from your account.

Additional Compensation

As briefly disclosed in *Item 4 – Advisory* Business, our advisor representatives can sell securities in their separate capacities as registered representatives of Securities America. In addition, they sell insurance products in their capacities as independent insurance agents for sales commissions.

Some of the advice offered by our advisor representatives involve investments in mutual fund products. Load and no-load mutual funds pay annual distribution charges sometimes referred to as 12b-1 fees. **However, the only revenue our advisor representatives received for BASIC account is the asset management fees as described previously in this section. We do not receive any portion of the 12b-1 fees paid or other compensation such as commissions, loads, trails, etc. when holding mutual funds in BASIC accounts.**

Because we only receive advisory fees charged to clients, there is not an incentive for us to recommend investment products paying commissions and other fees when selecting mutual funds and/or ETFs. Therefore, we primarily recommend low cost ETF's and index funds, no-load mutual funds and mutual funds priced at net-asset-value.

When administering non-advisory, non-fee based accounts through Securities America, our advisor representatives will receive normal and customary commissions. This will include a portion of 12b-1 fees, trailer fees, and loads from some investment companies. Clients should be aware that these 12b-1 fees come from fund assets, and thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12b-1 fees or higher 12b-1 fees over funds with no fees or lower fees, therefore creating a conflict of interest.

You are never obligated to use Securities America and you are never obligated to purchase investment products through our investment advisor representatives. You have the option to purchased investment products through other brokers or agents that are not affiliated with IFS Advisors.

Comparable Services

We believe our fees for 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 services may be available from other sources.

The amount of compensation we may receive in a particular program may be more than would be received if you participated in other programs or paid separately for investment advice, brokerage and other services. You may wish to consider the following factors when determining the reasonableness of advisory fees charged:

- The fee charged for developing an asset allocation study and/or developing an investment strategy
- Transaction and custody costs or other miscellaneous fees and taxes and/or charges, as well as commissions or mark ups and mark downs, on the purchase and/or sale of securities
- The cost of producing a quarterly performance report covering managed assets
- The value of the consulting service provided by Advisor in designing and monitoring your managed assets
- The cost of investment advice provided Advisor

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. We do not receive performance-based fees.

Item 7 – Types of Clients

We provide advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans
- Charitable organizations
- Trusts
- Corporations, Limited Liability Companies and other business types

Account Minimums

We require a minimum account of $50,000 for traditional managed advisory accounts (through our BASIC program or otherwise), although exceptions may be granted. Advisor may group certain related client accounts for the purposes of achieving the minimum account size.

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

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **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.

  The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

- **Technical Analysis**: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or market. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

  Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

- **Cyclical Analysis**: Cyclical analysis looks at recurring periods of economic expansion and contraction that can impact a company's profitability and cash flow. Cyclical stocks tend to rise when the economy turns up and fall when the economy turns down. Non-cyclical industries are not as directly impacted by economic changes.

  While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

- **Valuation Analysis**: We attempt to measure the value of a security or sector of the financial markets relative to other securities and sectors to determine relative value, and whether or not the security or sector is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

  When deciding which valuation method to use to value a security for the first time, it's easy to become overwhelmed by the number of valuation techniques available to investors. There are valuation methods that are straightforward while others are more involved and complicated.

  Unfortunately, there's no one method that's best suited for every situation. Each stock is different, and each industry or sector has unique characteristics that may require multiple valuation methods. At the same time, different valuation methods will produce different values for the same underlying asset or company which may lead analysts to employ the technique that provides the most favorable output.

All of the aforementioned methods of analysis present potential risks, and the investments selected may not perform as expected. Be aware that investing in the financial markets and securities involves a certain amount of risk. Although efforts are taken to minimize such risk, there are no guarantees that the selected investments will meet their expected returns, or that these investments will not lose money.

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** (Securities Held At Least a Year): When utilizing this strategy, we may purchase securities with the expectation of holding them for a relatively long time (typically held for at least a year). 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. Typically we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

- **Short-Term Purchases**: When utilizing this strategy, we may purchase securities with the expectation 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. The risk in this strategy is that the funds invested may decline sharply in value before we make a decision to sell.

- **Trading**: While not our standard practice, we may purchase securities with the expectation of selling them very quickly (within 30 days or less). We would do this in an attempt to take advantage of our predictions of brief price swings. The risk associated with this strategy is that a high volume of trading activity may lead to increased transaction fees, returns are not guaranteed on any transaction and that the market can be volatile.

- **Short Sales**: While not our standard practice, we may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. The risks associated with this strategy include an unlimited downside as the gain is limited by the fact that the stock can't fall below zero, and the loss is unlimited because a stock's price can keep rising.

- **Margin Transactions**: Although we do not recommend margin accounts for investment purposes, some of our clients will open margin accounts for short-term cash needs and other individualized, planning purposes. The nature of managing an account on margin means we purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. The risk in utilizing borrowed money is that clients may be subject to a margin call, where the addition of cash will be required to liquidate the position.

- **Option Writing**: 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 us the right to buy an asset at a certain price within a specific period of time. We may buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We may 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 we have purchased for your portfolio. We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

  An options contract is for a short period - generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur before the option expires.

Risk of Loss

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- **Market Risk:** Either the 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 referred to as systemic risk.

- **Equity (Stock) Market Risk:** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.

- **Company Risk:** There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).

- **Options Risk:** Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.

- **Fixed Income Risk:** Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending 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. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on bonds become less attractive, causing their market values to decline. Rising interest rates can also have a negative impact on the pricing of other income-related securities including, but not limited to, preferred stock, high dividend stocks, or REITs.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

- **ETF and Mutual Fund Risk:** ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also may incur brokerage costs when purchasing mutual funds and ETFs.

- **Management Risk:** Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments 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 {the investment adviser firm} 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

There are no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our Disclosure Brochure.

Item 10 – Other Financial Industry Activities and Affiliations

We are an independent registered investment advisor and 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 advisor representatives with us.

<u>Securities Sales</u>

If the client wants to, the client can engage the investment advisor representatives of the firm (but not the firm) in their separate capacities as registered representatives of Securities America, to render securities brokerage services under a commission arrangement. Securities America is owned by [Advisor Group], which in February 2020 acquired

Ladenburg Thalmann Financial Services Inc. (NYSE American: LTS, LTS PrA), a publicly traded diversified financial services company based in Miami, Florida. Please see Item 11 for more information.

You are never obligated to open an account with Securities America and can use any broker/dealer you like. However, if you would like to open an account with one of our advisor representatives, Securities America is required.

Brokerage commissions can be charged by Securities America to affect these securities transactions and, thereafter, a portion of these commissions will be paid by Securities America to such investment advisor representatives as registered representatives of Securities America. Prior to effecting any transactions, the client will be required to enter into a new account agreement with Securities America. The brokerage commissions charged by Securities America 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 the client maintains the mutual fund investment. Please also refer to Item 5 – Fees and Compensation: Compensation for Sale of Securities or Other Compensation for more information.

Depending on the type of Securities America account that could be used to implement a financial plan or investment strategy, such compensation can include (but is not limited to) advisory program fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund managed futures, and variable annuity investor servicing fees; retirement plan fees; administrative services fees for trust accounts; compensation for directing order flow; and bonuses, awards or other things of value offered by Securities America to the advisor representative.

This compensation to the advisor representative and Securities America may be more or less depending on the product or service the advisor representative recommends. Therefore, the advisor representative has a financial incentive to recommend that a financial plan be implemented using a certain product or services.

The investment advisor representatives of Advisor recommend securities or insurance products offered by Securities America (or other insurance firms), and will receive the normal commissions if products are purchased through them; thus, a conflict of interest exists between their interests and those of Advisor's clients. Clients are under no obligation to purchase products recommended by investment advisor representatives or to purchase products either through Advisor or Securities America.

Please refer to Item 12 – Brokerage Practices for more information.

Insurance Sales

Some investment advisor representatives are licensed to provide insurance services to clients. Insurance products are provided to clients for personal, estate and business need to minimize clients' exposure to identified risks. Although clients are under no obligation to purchase insurance products recommended by investment advisor representative in their separate capacities and insurance agents, clients often purchase such products when needs arise. For clients of Advisor who purchase products causing commissions to be generated these are paid to the investment advisor representatives in their separate capacities as insurance agents. For those investment advisor representatives who are insurance licensed, this activity varies throughout the year.

You are never obligated or required to purchase insurance products through one of our advisor representatives licensed as insurance agents. However, when acting as an insurance agent, our advisor representatives can help you purchase insurance products and will receive separate compensation (i.e. insurance commissions) in addition to investment advisory fees charged by Advisor. Clients that choose to purchase insurance products though one of our advisor representatives should be aware they will generally only recommend insurance products of those companies for whom they are sales agents and with which they are familiar with the benefits, exclusions and other terms.

Because our advisor representatives will receive commissions for selling insurance products, there is a conflict of interest in that they could recommend policies to clients that do not require or need insurance. To control for this conflict of interest and to be consistent with our firm's fiduciary duty, our advisor representatives strive to recommend insurance products only to those clients who need new or additional insurance coverage.

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 advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each client. We and our representatives have a fiduciary duty to all clients. We have established a Code of Ethics which all representatives and associated persons must read and then execute an acknowledgment agreeing that they understand and agree to comply with the Code of Ethics. Our fiduciary duty to clients is considered the core underlying principle for our Code of Ethics and represents the expected basis for all dealings with clients. We have the responsibility to make sure that the interests of clients are placed ahead of our own or associated persons' own investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws at all times. We provide full disclosure of all material facts and potential conflicts of interest to the client prior to services being conducted. All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to clients. This section is only intended to provide current clients and potential clients with a description of our Code of Ethics. If current clients or potential clients wish to review our Code of Ethics in its entirety, a copy may be requested from any of our representatives and it will be promptly provided.

Participation in Client Transactions and Personal Trading

We and our representatives may buy or sell securities or have an interest or position in a security for it or our personal account(s) that are also recommended to clients. We are and will continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. As these situations may represent a potential conflict of interest, it is our policy that no representatives will prefer their own interests to that of the advisory client. No person employed by us may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Representatives 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 their employment unless the information is also available to the investing public upon reasonable inquiry.

Item 12 – Brokerage Practices

If you wish to implement our advice, you are free to select any broker/dealer or investment advisor you wish and are so informed. If we assist you in implementing any recommendations, we have a duty to ensure that you receive the best execution possible. Best execution does not necessarily mean the lowest price but includes the overall services received from a broker/dealer. You should understand that not all investment advisors require the use of a particular broker/dealer. There may be other platforms that are less expensive and may provide faster execution capabilities.

You are under no obligation to act on our recommendations. You may select a broker/dealer or account custodian other than Securities America, Inc. or Custodian, discussed below. However, if you do, we cannot assist you with implementing advisory recommendations.

Custodian

If you elect to utilize our investment management services, you are required to establish brokerage accounts at TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC with brokerage services provided exclusively by TD Ameritrade, Inc. ("Custodian" or "TD Ameritrade). Custodian provides us with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Custodian include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Custodian also makes available to us other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. Custodian also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

In addition, Custodian may make available, arrange and/or pay for these types of services rendered to us by an independent third party providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our recommendation that you maintain your assets in accounts at Custodian may be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Custodian. This may create a potential conflict of interest.

Securities America, Inc.

Because our representatives are registered representatives of SAI, they are required to use the services of SAI and SAI's approved clearing broker/dealers when acting in their capacity as registered representatives. SAI serves as the introducing broker/dealer. All accounts established through SAI are cleared and held through National Financial Services, LLC. SAI has a wide range of approved securities products for which it performs due diligence prior to selection. SAI's registered representatives are required to adhere to these products when implementing securities transactions through SAI. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if transactions were implemented through another broker/dealer. Because our representatives are also registered representatives of SAI, SAI provides compliance and supervision support to our representatives. In addition, SAI provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

Economic benefits are provided to us by SAI 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 SAA/SAI 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 see **Item 5, Fees and Compensation,** for additional information about advisory services and implementing recommendations.

Best Execution

While we do not allow directed brokerage, we must still use reasonable diligence to make certain that best execution is obtained for clients when implementing any transactions. 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 surrounding the transaction execution is in the best interests of clients. We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors other than pricing, including, among other things:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems of the advisor, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, record keeping, technology, regulatory compliance assistance, research and analytic services)

- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas

With this in consideration, our firm participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade“), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

TD Ameritrade may make certain research and brokerage services available at no additional cost to our firm. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by TD Ameritrade may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by TD Ameritrade to our firm in the performance of our investment decision-making responsibilities.

Our non-wrap fee program clients may pay a commission to TD Ameritrade that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

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. We perform annual reviews to determine that our relationships with SAI, NFS, and TD Ameritrade are still in the best interests of clients.

<u>Soft Dollar</u>

Investment advisors may direct portfolio brokerage commissions to a particular broker/dealer in return for services and research used in making investment decisions in client accounts. The commissions used to acquire these services and research are known as “soft dollars.” Section 28(e) of the *Securities Exchange Act of 1934* provides a “safe harbor” that allows an investment advisor to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid was reasonable in relation to the brokerage and research services provided.

Although we don't allow directed brokerage, we may still receive products and services from SAI, SAA or other program sponsors and product issuers. These products and services may be used for both research and non-research purposes and allows us to supplement, at no cost, our own research and analysis activities. These products and services can include, but are not limited to:

- Reports, publications and data on matters such as the economy, industries, sectors and individual companies or issuers, statistical information, account and law interpretations, political analyses, legal developments affecting portfolio securities, technical market actions, credit analyses, risk management and analyses of corporate responsibility issues
- On-line news services and financial and market database services
- Information management systems integrating quotation and trading, performance management, accounting, recordkeeping and document retrieval and other administrative matters
- Meetings, seminars, workshops and conferences with representatives of issuers, program sponsors and/or other analysts and specialists

Research obtained with soft dollars is not necessarily utilized for the specific account that generated the soft dollars. We do not attempt to allocate the relative costs or benefits of research among clients because we believe that, in the aggregate, the research we receive benefits all clients and assists us in fulfilling our overall duty to clients.

These arrangements may be deemed to create a conflict of interest to the extent that we would have to pay for some or all of the research and/or services with "hard dollars" if we were unable to obtain the research and services in exchange for commissions in connection with client transactions. Client trades are always implemented based on the goals and objectives of the client and not on any research, products or other incentives available.

Handling of Trade Errors

If you elect to implement transactions through our representatives, they do so in their separate capacity as registered representatives of SAI. SAI has execution and clearing arrangements with Fidelity Capital Markets ("FCM"), a division of NFS. TD Ameritrade's platform offers their own execution and clearing arrangements.

We have implemented procedures designed to prevent trade errors when implementing transactions. However, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. FCM is contacted immediately about any trade error except those in mutual funds. SAI's Trade Department is contacted to report and correct any error in mutual fund trades. TD Ameritrade's Trade Department is contacted immediately to correct any trade error occurring in any TD Ameritrade account. Trading errors are usually corrected after the trade settles and may take 5-7 days to finalize.

If we, our representatives, SAI, FCM or TD Ameritrade are responsible for making a trade error in a client account, the error is corrected and the client account is restored to where it would have been had the trade error not occurred. Any profit from the trade correction is retained by SAI, FCM or TD. Neither we, our representatives, nor the client retain profits from a trade correction.

Block Trades

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and may be used when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions are averaged as to price and are allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc*. Neither we nor our associated persons receive any additional compensation or remuneration as a result of blocking trades.

Item 13 – Review of Accounts

Account Reviews

Financial Planning clients who elect to continue to engage us beyond the initial period, we will provide reviews of their written plans, changes in their circumstances, etc. If you elect to have this review and update, a client agreement is required and ongoing fees are charged.

Managed accounts are reviewed at least quarterly. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

The calendar is the main triggering factor, although reviews can also be done because of your specific request, changes in your financial situation, changes in model signals or market conditions and changes in management philosophy. Reviews include performance evaluation, allocation timing and account balance, model composition, summary and in-depth examination of account statements and continuing client objectives.

We urge you to compare performance reports you receive from us with account statements you receive directly from the custodian. Inquiries or concerns regarding your account including performance reports should be directed to us.

Account Reports

If you contract for financial planning services, you do not receive any report other than the written plan originally contracted for.

With the BASIC program, you will receive a statement at least quarterly from the broker/dealer, investment advisor, Custodian, or money manager where your account is maintained.

If you have inquiries or concerns regarding your account, including performance reports, you should contact us.

Item 14 – Client Referrals and Other Compensation

Client Referrals

We do not directly or indirectly compensate anyone for referring clients to us.

Other Compensation

From time to time, we 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 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 whom sales have been made or it is anticipated sales will be made. Both we and our representatives endeavor at all times to put your interests first as a part of our fiduciary duty.

Please see **Item 5, Fees and Compensation**, **Item 10, Other Financial Industry Activities and Affiliations,** and **Item 12, Brokerage Practices,** for additional discussion about solicitor/referral fees from third party managers, other compensation and non-economic benefits.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts.

For accounts where we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

In addition to having trading authority on your accounts, we may implement trades in accounts on a discretionary basis. This means we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

If management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. You must accept or reject our investment recommendations, including (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, we are responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

Item 17 – Voting Client Securities

We do not vote proxies on your behalf. You should read the information provided with the proxy document and make a determination based on the information provided. Upon your request, we may provide clarifications of issues presented in the proxy materials or provide an opinion on how you should vote on an issue. However, you are solely responsible for all proxy voting decisions.

Item 18 – Financial Information

This item is not applicable to our brochure. We do not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

Business Continuity and Contingency Plan

We have 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 of the firm to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions. Our response to an external business disruption relies more heavily on other organizations and systems, especially on the capabilities of our registered representatives' broker/dealer and clearing firm.

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:

- Alternate locations to conduct business
- Electronic back-ups of records through SAI and Carbonite
- Alternative means of communications with employees, clients, critical business constituents and regulators
- Review of the contingency plans for the registered representatives' broker/dealer and clearing firm and also sponsors of investment programs utilized by the advisor for client investments
- Details on the advisor 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.

Privacy Notice

We are committed to safeguarding the confidential information of our clients. We hold all personal information provided to us in the strictest confidence. Our representatives are also registered representatives of Securities America, Inc. ("SAI"), a registered broker/dealer that is not affiliated with us. We may also have relationships with other non-affiliated investment advisors, such as Securities America Advisors, Inc. ("SAA"), an affiliate of SAI, insurance companies, trust companies, custodians and other financial institution entities. Except as required or permitted by law, we do not share confidential information about clients with non-affiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit additional disclosures of confidential information, we provide written notice to the client, and the client is given an opportunity to direct us whether such disclosure is permissible.

AN IMPORTANT NOTICE CONCERNING CLIENT PRIVACY

Client Information Collected. We collect and develop personal information about you and some of that information is non-public personal information (Client Information). The essential purpose for collecting Client Information is to provide and service the financial products and services you obtain from us. The categories of Client Information collected by us depend upon the scope of the engagement with us and are generally described below. As an investment advisor, we collect and develop Client Information about you in order to provide investment advisory services. Client Information collected includes:

- Information we receive from you on financial inventories through consultation with our representatives. This Client Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning the client's financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.

- Information about your financial products and services transactions with us.

Data Security. We restrict access to Client Information to those representatives and employees who need the information to perform their job responsibilities with us. We maintain agreements, as well as physical, electronic and procedural securities measures that comply with federal regulations to safeguard Client Information.

Use and Disclosure of Client Information to Provide Client Services. To administer, manage and service client accounts, process transactions and provide related services for client accounts, it is necessary for us to provide access to Client Information within our firm and to non-affiliated companies such as SAI, SAA, other investment advisors, other broker/dealers, trust companies, custodians and insurance companies. We may also provide Client Information outside of the firm as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

Medical and Health Information. We may receive medical or health information on an application for insurance. We do not share that medical or health information with unrelated companies, except as necessary to process transactions on behalf of our clients.

Former Clients. If you close an account with us, we continue to operate in accordance with the principles stated in the Notice.

Requirements of Federal Law. In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act* ("GLBA"). The GLBA requires certain financial institutions, including broker/dealers and investment advisors, to protect the privacy of Client Information. To the extent a financial institution discloses Client Information to non-affiliated third parties, other than as permitted or required by law, clients must be given the opportunity and means to opt out (or prevent) such disclosure. Please note that we do not disclose Client Information to non-affiliated parties except as permitted or required by law (e.g., disclosures to service client accounts or to respond to subpoenas).