**[FIRM NAME]**

**Compliance Manual**

Effective Date:

TABLE OF CONTENTS

[1. Overview 1](#_Toc115879358)

[1.1. Purpose Of This Manual 1](#_Toc115879359)

[1.2. Nature of Business 1](#_Toc115879360)

[1.3. System Of Supervision And Responsibilities 1](#_Toc115879361)

[1.4. Escalating Perceived Risks 2](#_Toc115879362)

[1.5. Whistleblower Policy 3](#_Toc115879363)

[1.6. Violations of [FIRM NAME]’s Policies or Procedures 3](#_Toc115879364)

[1.7. Maintenance and Review of Compliance Program 4](#_Toc115879365)

[1.7.1. Designation of Chief Compliance Officer 4](#_Toc115879366)

[1.7.2. Compliance Manual Amendments 5](#_Toc115879367)

[1.7.3. Compliance Risk Assessment Procedures 5](#_Toc115879368)

[1.7.4. Training 5](#_Toc115879369)

[1.7.5. Annual Compliance Review 5](#_Toc115879370)

[1.7.6. Ongoing Monitoring 6](#_Toc115879371)

[1.7.7. Regulatory Inspections 6](#_Toc115879372)

[1.8. Client Complaints 7](#_Toc115879373)

[1.8.1. Responding to and Resolving Customer Complaints 8](#_Toc115879374)

[1.8.2. Recordkeeping 8](#_Toc115879375)

[1.8.3. Form U4/U5 Amendments 8](#_Toc115879376)

[2. Registration And Licensing 9](#_Toc115879377)

[2.1. Overview 9](#_Toc115879378)

[2.2. State Notice Filing/Registration Requirements 10](#_Toc115879379)

[2.3. Employee Registration Requirements 10](#_Toc115879380)

[2.4. Obligation To Update Form U4 10](#_Toc115879381)

[2.4.1. Disclosure Events Requiring a Form U4 Amendment 11](#_Toc115879382)

[2.4.2. Statutorily Disqualifying Events Requiring a Form U4 Amendment 12](#_Toc115879383)

[2.5. Additional Address Change Reporting Requirements 12](#_Toc115879384)

[2.6. Terminations 12](#_Toc115879385)

[2.7. Principal Office 12](#_Toc115879386)

[2.8. Employee Mobility 13](#_Toc115879387)

[2.9. Registration - Firm 13](#_Toc115879388)

[2.9.1. Financial and Disciplinary Disclosures 14](#_Toc115879389)

[2.9.2. Annual Amendments 15](#_Toc115879390)

[3. Portfolio Management 15](#_Toc115879391)

[3.1. Fiduciary Standard 15](#_Toc115879392)

[3.1.1. Duty of Care 15](#_Toc115879393)

[3.1.2. Duty of Loyalty 16](#_Toc115879394)

[3.2. Portfolio Management Process 16](#_Toc115879395)

[3.3. Model Portfolios 16](#_Toc115879396)

[4. Opening And Maintaining Client Accounts 18](#_Toc115879397)

[4.1. Minimum Contract Requirements 18](#_Toc115879398)

[4.1.1. Client Acceptance 19](#_Toc115879399)

[4.2. New Account Documentation 19](#_Toc115879400)

[4.2.1. Identity Verification 19](#_Toc115879401)

[4.2.1.1. Government-Issued Identification 19](#_Toc115879402)

[4.2.2. Customer Identification Program 20](#_Toc115879403)

[4.2.3. Accounts Requiring Additional Review 20](#_Toc115879404)

[4.2.4. Maintaining Current Account Information 21](#_Toc115879405)

[4.3. Account Profile Information 21](#_Toc115879406)

[4.3.1. Name 21](#_Toc115879407)

[4.3.2. Address 21](#_Toc115879408)

[4.3.3. Social Security or Tax ID Number 22](#_Toc115879409)

[4.3.4. Date of Birth 22](#_Toc115879410)

[4.3.5. Non-Resident Alien/Country of Citizenship 22](#_Toc115879411)

[4.3.5.1. OFAC-Sanctioned Countries 22](#_Toc115879412)

[4.3.6. Financial Information 22](#_Toc115879413)

[4.3.7. Net Worth and Liquid Net Worth 23](#_Toc115879414)

[4.3.8. Source of Wealth / Funds 23](#_Toc115879415)

[4.3.9. Other Assets 23](#_Toc115879416)

[4.3.10. Liquidity Needs 23](#_Toc115879417)

[4.3.11. Investment Strategy/Technique 24](#_Toc115879418)

[4.3.12. Time Horizon 24](#_Toc115879419)

[4.3.13. Employee Stockholder 24](#_Toc115879420)

[4.4. Client Billing 24](#_Toc115879421)

[4.4.1. Overview 24](#_Toc115879422)

[4.4.2. Policy 25](#_Toc115879423)

[4.4.3. Direct Billing 26](#_Toc115879424)

[4.5. Suspicious Activity 26](#_Toc115879425)

[4.5.1. Red Flags 27](#_Toc115879426)

[4.6. Prohibited Activities 27](#_Toc115879427)

[4.7. Wired Funds 28](#_Toc115879428)

[4.7.1. Overview 28](#_Toc115879429)

[4.7.2. Wiring Funds Out of a Firm Account 28](#_Toc115879430)

[4.8. Custody of Client Funds 29](#_Toc115879431)

[4.8.1. Handling Client Checks and Securities 29](#_Toc115879432)

[4.8.2. Standing Letters of Authorization 30](#_Toc115879433)

[4.8.3. Advanced Collection of Fees 31](#_Toc115879434)

[4.8.4. Login Credentials 31](#_Toc115879435)

[4.8.5. Verification of Client Statements 31](#_Toc115879436)

[4.9. Providing Documents and Information to Clients 32](#_Toc115879437)

[4.9.1. Documents Provided at Account Opening 32](#_Toc115879438)

[4.9.2. Additional Documents Provided Upon Signature 32](#_Toc115879439)

[4.9.3. Documents Available Upon Request 32](#_Toc115879440)

[4.10. Document Signature Policy 33](#_Toc115879441)

[4.11. Proxy Voting 33](#_Toc115879442)

[4.12. Annual Client Review 34](#_Toc115879443)

[4.13. Periodic Client Reviews 34](#_Toc115879444)

[4.14. Client Termination 34](#_Toc115879445)

[4.14.1. Deceased Clients 35](#_Toc115879446)

[4.14.2. Abandoned Accounts 35](#_Toc115879447)

[5. Regulation Best Interest (Reg BI) 36](#_Toc115879448)

[5.1. Reg BI - Disclosure 36](#_Toc115879449)

[5.2. Reg BI – Care 37](#_Toc115879450)

[5.3. Reg BI - Conflicts of Interest 38](#_Toc115879451)

[5.4. Reg BI – Compliance 38](#_Toc115879452)

[5.5. Reg BI Definitions 40](#_Toc115879453)

[6. ERISA 41](#_Toc115879454)

[6.1.1. Plan Fiduciary 42](#_Toc115879455)

[6.1.2. Fiduciary Advisor 43](#_Toc115879456)

[6.1.3. Definition of ERISA Covered Account 43](#_Toc115879457)

[6.1.4. Fiduciary Obligations 43](#_Toc115879458)

[6.1.5. Investment Policy Statement 44](#_Toc115879459)

[6.1.6. Fidelity Bond 44](#_Toc115879460)

[6.1.7. Prohibited Transactions 44](#_Toc115879461)

[6.1.8. Liability for Breach of ERISA Rules 45](#_Toc115879462)

[6.1.9. ERISA Regulations 45](#_Toc115879463)

[6.2. Retirement Investors and ERISA Matters 45](#_Toc115879464)

[6.2.1. Policy 47](#_Toc115879465)

[6.2.2. Qualified Plan Rollover Procedures 47](#_Toc115879466)

[6.2.3. Qualified Plan Rollover Supervision 48](#_Toc115879467)

[7. Considerations When Working With Senior Investors And/Or Vulnerable Adults 48](#_Toc115879468)

[7.1. Introduction 48](#_Toc115879469)

[7.1.1. Senior Investor 48](#_Toc115879470)

[7.1.2. Vulnerable Adult 48](#_Toc115879471)

[7.2. Suitability Considerations 49](#_Toc115879472)

[7.3. Diminished Capacity 50](#_Toc115879473)

[7.4. Senior Safe Act 51](#_Toc115879474)

[7.4.1. Policy 52](#_Toc115879475)

[7.4.2. Financial Exploitation 53](#_Toc115879476)

[8. Sales Practices And Other Employee Conduct Policies 54](#_Toc115879477)

[8.1. Conflicts Of Interest 54](#_Toc115879478)

[8.1.1. Overview 54](#_Toc115879479)

[8.2. Prohibited Practices 55](#_Toc115879480)

[8.2.1. Unauthorized Trading 55](#_Toc115879481)

[8.2.2. Churning 55](#_Toc115879482)

[8.2.3. Financial Arrangements with Clients 55](#_Toc115879483)

[8.2.4. Tax and Legal Advice 55](#_Toc115879484)

[8.2.5. Margin 56](#_Toc115879485)

[8.2.6. Options 56](#_Toc115879486)

[9. Best Execution 56](#_Toc115879487)

[9.1. Trade Allocation 56](#_Toc115879488)

[9.2. Aggregation of Orders 57](#_Toc115879489)

[9.3. Directed Brokerage 58](#_Toc115879490)

[9.4. Valuation 58](#_Toc115879491)

[9.5. Trade Correction Policy 59](#_Toc115879492)

[9.5.1. Trade Error Definition 59](#_Toc115879493)

[9.5.2. Resolving Trade Errors 59](#_Toc115879494)

[9.5.3. Recordkeeping 60](#_Toc115879495)

[9.6. Principal and Agency Cross Transactions 60](#_Toc115879496)

[9.7. Handling of Orders 60](#_Toc115879497)

[9.7.1. Late Trading and Market Timing 61](#_Toc115879498)

[10. Fixed Income 61](#_Toc115879499)

[10.1. Introduction 61](#_Toc115879500)

[10.2. Brokered Certificates Of Deposit 62](#_Toc115879501)

[11. Mutual Funds 62](#_Toc115879502)

[11.1. Introduction 63](#_Toc115879503)

[11.2. Suitability And Disclosure Of Features And Risks 63](#_Toc115879504)

[11.3. Mutual Fund Fees And Cost Structures 64](#_Toc115879505)

[11.3.1. Class A Shares: Cost Structure and Breakpoints 64](#_Toc115879506)

[11.3.2. Mutual Fund Class B Share Policy 65](#_Toc115879507)

[11.3.3. Mutual Fund Class C Share Policy 66](#_Toc115879508)

[11.4. Mutual Fund Switches 66](#_Toc115879509)

[11.5. Prospectus Delivery Requirements 66](#_Toc115879510)

[11.6. 12b-1 Fees 67](#_Toc115879511)

[12. Exchange Traded Products 67](#_Toc115879512)

[12.1. Suitability Considerations 67](#_Toc115879513)

[12.2. Risk Disclosures 67](#_Toc115879514)

[13. Communications With The Public 68](#_Toc115879515)

[13.1. Introduction 68](#_Toc115879516)

[13.1.1. Employee Attestation 68](#_Toc115879517)

[13.1.2. Definitions 68](#_Toc115879518)

[13.2. Advertisement 69](#_Toc115879519)

[13.2.1. Overview 70](#_Toc115879520)

[13.2.2. Prohibitions in Advertisement. 70](#_Toc115879521)

[13.2.3. Advertisement Policy 71](#_Toc115879522)

[13.2.3.1. Internet Web Site/Social Networking Disclosure 71](#_Toc115879523)

[13.2.3.2. Rankings/Award Designations 71](#_Toc115879524)

[13.2.3.3. Public Appearances 73](#_Toc115879525)

[13.3. General Standards For Communications With The Public 73](#_Toc115879526)

[13.3.1. Overview 73](#_Toc115879527)

[13.3.2. Audience 74](#_Toc115879528)

[13.3.3. Clarity 74](#_Toc115879529)

[13.3.4. Context of Statements 74](#_Toc115879530)

[13.3.5. Misleading Statements 74](#_Toc115879531)

[13.3.6. Recommendations 75](#_Toc115879532)

[13.3.7. Disclosure 75](#_Toc115879533)

[13.3.8. Points to Remember 75](#_Toc115879534)

[13.4. Client Testimonials 75](#_Toc115879535)

[13.4.1. Testimonials for RIAs and employees 75](#_Toc115879536)

[13.5. Submission Procedures 76](#_Toc115879537)

[13.5.1. General Books and Records Requirements 76](#_Toc115879538)

[13.6. Stationery Requirements 76](#_Toc115879539)

[13.6.1. Requirements for Stationery 76](#_Toc115879540)

[13.6.2. Envelopes and Mailings 77](#_Toc115879541)

[13.6.3. Novelty Items 78](#_Toc115879542)

[13.6.3.1. Overview 78](#_Toc115879543)

[13.6.3.2. Summary 78](#_Toc115879544)

[13.6.3.3. Office Addresses 78](#_Toc115879545)

[13.7. Websites And Internet Communications 79](#_Toc115879546)

[13.7.1. Websites and Internet Communications 79](#_Toc115879547)

[13.7.2. State Registrations and Standard Disclosures 79](#_Toc115879548)

[13.7.3. Banner Advertisements 80](#_Toc115879549)

[13.8. Electronic Communications And Forums 80](#_Toc115879550)

[13.8.1. Electronic Communications 80](#_Toc115879551)

[13.8.2. Social Networking Sites 80](#_Toc115879552)

[13.8.2.1. Social Networking Sites 80](#_Toc115879553)

[13.8.2.2. Business vs. Personal Listings 80](#_Toc115879554)

[13.8.2.3. Static vs. Interactive Content 81](#_Toc115879555)

[13.8.2.4. Facebook, LinkedIn and Twitter - Requirements 82](#_Toc115879556)

[13.8.2.5. Facebook, LinkedIn and Twitter - Permitted and Restricted Activities 82](#_Toc115879557)

[13.8.2.6. Requirements for All Social Networking Communications 83](#_Toc115879558)

[13.8.2.6.1 Recommendations and Testimonials 83](#_Toc115879559)

[13.8.2.6.2 Third-Party Posts 83](#_Toc115879560)

[13.8.2.6.3 Messaging Tools 84](#_Toc115879561)

[13.8.3. Chat Rooms and Bulletin Boards 84](#_Toc115879562)

[13.8.4. Blogs 84](#_Toc115879563)

[13.8.5. Instant Messaging 85](#_Toc115879564)

[13.9. Public Appearances 85](#_Toc115879565)

[13.9.1. General Considerations 85](#_Toc115879566)

[13.9.2. Extemporaneous Speaking Engagements 85](#_Toc115879567)

[13.9.3. Public Appearance Policy 85](#_Toc115879568)

[13.9.4. Public Appearances: Frequently Asked Questions 86](#_Toc115879569)

[13.10. Commonly Used Disclosures 86](#_Toc115879570)

[13.10.1. RIA Disclosure 87](#_Toc115879571)

[13.10.1.1. Advisory Services 87](#_Toc115879572)

[13.10.2. Email Signatures 87](#_Toc115879573)

[13.10.3. Opinions 87](#_Toc115879574)

[13.10.4. Indices 87](#_Toc115879575)

[13.10.5. Quotes 87](#_Toc115879576)

[13.10.6. Examples and Hypothetical Illustrations 88](#_Toc115879577)

[13.10.7. Consolidated Reports 88](#_Toc115879578)

[13.10.8. Retirement or Tax-Deferred Investments 89](#_Toc115879579)

[13.10.9. Mutual Fund Performance Figures 89](#_Toc115879580)

[14. Electronic Communications 90](#_Toc115879581)

[14.1. Prohibition Against Accepting Client Instructions Via Email 90](#_Toc115879582)

[14.2. Instant Messaging and Text Messaging 90](#_Toc115879583)

[14.3. Transmitting Personally Identifiable Information Via Email 90](#_Toc115879584)

[14.4. Using Mobile Devices to Store And Transmit Firm-Related Communications 91](#_Toc115879585)

[15. Communicating with Regulators 91](#_Toc115879586)

[15.1. Responding to Regulatory Inquiries, Examinations, And Other Requests 91](#_Toc115879587)

[16. Service Provider Due Diligence 93](#_Toc115879588)

[17. Recordkeeping 93](#_Toc115879589)

[17.1. Record Retention 93](#_Toc115879590)

[17.1.1. Records to be made by Investment Advisors 94](#_Toc115879591)

[17.2. Records to be preserved by Investment Advisors. 94](#_Toc115879592)

[17.2.1. Electronic Record Retention 94](#_Toc115879593)

[17.2.2. Client Files 94](#_Toc115879594)

[17.2.3. Outgoing and Incoming Correspondence File 95](#_Toc115879595)

[17.3. Disposal Of Client Records and Information 95](#_Toc115879596)

[18. Do-Not-Call List File 96](#_Toc115879597)

[ATTACHMENT A - GLOSSARY 97](#_Toc115879598)

[ATTACHMENT B - VERSION LOG FOR COMPLIANCE MANUAL 100](#_Toc115879599)

[ATTACHMENT C - CCO 101](#_Toc115879600)

[ATTACHMENT D - RECORDS RETENTION POLICY 102](#_Toc115879601)

# Overview

## Purpose Of This Manual

**Purpose of Policy: To set forth the applicability of this manual.**

[FIRM NAME] (hereinafter “[FIRM NAME]” or the “Firm”) has adopted the following policies and procedures (“Compliance Manual” or “Manual”) for compliance as a registered investment advisor under the Investment Advisors Act of 1940, as amended (“Advisors Act”) with a registration with the United States Securities and Exchange Commission (“SEC”), and notice filings in the states of Arizona, Florida, Michigan, New Hampshire, and Texas. All Associated Persons of the Firm, including all owners and executive officers, are expected to be familiar with and to follow the Firm’s policies. Associated Persons may also include temporary workers, consultants, independent contractors, and anyone else designated by the Chief Compliance Officer (“CCO”).

This Compliance Manual, as of the date of its adoption above, supersedes all previously dated versions of the Firm’s Compliance Manual to the extent such policies and procedures are contained herein, unless expressly stated otherwise. The Manual should accurately reflect the Firm’s business practices. The CCO should be consulted if you believe that the Manual does not accurately reflect the Firm’s business practices or should otherwise be revised or updated.

This Compliance Manual is not a fully operational procedures manual, does not constitute legal advice and is not inclusive of all laws, rules, and regulations that govern the activities of the Firm. It is intended to provide you with an understanding of the policies, regulatory rules and requirements that apply to the Firm.

## Nature of Business

[FIRM NAME] provides investment management services and financial planning services. [FIRM NAME] requires clients to use Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker/dealer, member SIPC, as the qualified custodian. [FIRM NAME] is independently owned and operated and is not affiliated with Schwab.

## System Of Supervision And Responsibilities

**Purpose of Policy: To set forth the system of supervision and responsibilities for the Firm.**

[FIRM NAME] officers will reasonably supervise the activities of its employees. [FIRM NAME] employees with supervisory responsibilities are required to supervise the activities of their subordinates and report any material issues to the

 Compliance Officer or senior management. Each advisor is supervised by the home office. Additionally, while advisors may, occasionally, meet with a client at a satellite office/office of convenience, the use of such locations must adhere to the requirements set forth in the Communications with the Public chapter of this Manual. Regardless of where an advisor may be physically located, they are required to process all business through the home office and remain under the supervision of the home office.

[FIRM NAME] employees may have explicitly defined supervisory responsibilities because of a position or title, and/or de facto supervisory responsibilities because of activities, roles, abilities, or operational authority within the Firm. All employees with explicit or implicit supervisory authority have affirmative duties to:

1. Ensure that the Firm’s practices are consistent with its written policies and procedures, and are not inconsistent with disclosures to clients;
2. Ensure that all persons under their supervision know and understand the contents of the Compliance Manual as it relates to their day-to-day activities;
3. Effectively monitor employees over whom they have supervisory authority;
4. Promptly notify the Chief Compliance Officer of any occurrences that may violate any laws, rules, regulations, and/or this Compliance Manual involving any person under their supervision; and
5. Ensure that the Firm responds appropriately, and in a timely manner, to any actual or suspected wrongdoing, undisclosed conflicts of interest, ineffective internal controls, or other compliance risks.

Supervision over certain responsibilities is generally delegated to various employees within the Firm. Such delegation of responsibilities must occur to ensure that the Firm provides clients with the highest level of service.

[FIRM NAME] expects its employees to report to their supervisors any issues arising in which they may be unfamiliar or may otherwise require the assistance and judgment of senior management.

Should an employee of the Firm have any questions regarding the applicability/relevance of any statutes, rules or regulations, or any section of these policies and procedures, he or she should address those questions with the Chief Compliance Officer.

## Escalating Perceived Risks

**Purpose of Policy: To set forth the requirement for employees to report perceived risks.**

In addition to reporting suspected violations of the Firm’s policies or Federal and/or State Securities Laws to the Chief Compliance Officer, employees are expected to discuss any perceived risks, or concerns about the Firm’s business practices with the Chief Compliance Officer. The Chief Compliance Officer should act prudently and exercise good judgment when determining an appropriate response to any reported risks or concerns.

Nothing herein shall prohibit or impede in any way an employee, or former employee, from reporting a possible securities law violation directly to a federal and/or state regulatory authority. In addition, the Firm will not retaliate in any way against an employee, or former employee, for providing information relating to a possible securities law violation to any federal and/or state regulatory authority.

## Whistleblower Policy

**Purpose of Policy: To set forth the policy regarding Whistleblowers.**

Whistleblower policies are critical tools for protecting individuals who report activities believed to be illegal, dishonest, unethical, or otherwise improper. If an employee has knowledge of or a concern of illegal or dishonest/fraudulent activity, the individual is to contact the Chief Compliance Officer.

All reports or concerns of illegal and dishonest activities will be promptly submitted to the Chief Compliance Officer who is responsible for investigating and coordinating any necessary corrective action.

The whistleblower is not responsible for investigating the alleged illegal or dishonest activity, or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities. Examples of illegal or dishonest activities include violations of federal, state, or local laws; billing for services not performed or for goods not delivered; and other fraudulent financial reporting.

The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to disciplinary action.

[FIRM NAME] will not retaliate against any whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower who believes they are being retaliated against must contact the Chief Compliance Officer immediately. This right protects all individuals acting on behalf of [FIRM NAME]. The rights of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

## Violations of [FIRM NAME]’s Policies or Procedures

**Purpose of Policy: To set forth the sanctions applicable to violations of the Firm’s policies.**

Supervised Persons have a responsibility to immediately report all apparent violations of [FIRM NAME]’s policies and procedures to the Chief Compliance Officer or designee.

After receiving notice of an apparent violation, Compliance will investigate all relevant facts and circumstances. This investigation may include an unannounced audit. The employee involved will be given an opportunity to explain or refute the alleged violation(s). The intentional violation or reckless disregard for any [FIRM NAME] policy or procedure may be grounds for disciplinary action up to and including termination for cause.

Based upon the employees past record, and any other appropriate factors, Compliance may take one or more of the following actions (where applicable):

* Close the investigation with no findings
* Issue a written reprimand
* Issue a fine
* Withhold advisory fees
* Suspend the advisor
* Permit the advisor to resign
* Terminate the advisor for cause
* Amend the advisor’s Form U4 or U5
* Take other disciplinary action as appropriate

## Maintenance and Review of Compliance Program

**Purpose of Policy: To set forth the requirements of the compliance program.**

Pertinent federal and state laws and rules require registered investment advisors to:

* Adopt and implement written policies and procedures reasonably designed to prevent violation, by the Firm and its employees, of relevant federal and/or state securities laws, and the rules and regulations thereunder;
* Review the adequacy of these policies and procedures, and assess the effectiveness of their implementation, at least annually; and
* Designate a Chief Compliance Officer who is responsible for administering the policies and procedures.

In recognition of its obligation to maintain and review its compliance program, the Firm:

1. has adopted policies and procedures (the Compliance Manual);
2. will amend the Compliance Manual as appropriate;
3. will perform risk assessments of its compliance program; and
4. will perform an annual review of its policies and procedures.

These policies and procedures can be found in the following sections of this Compliance Manual.

### Designation of Chief Compliance Officer

**Purpose of Policy: To designate the Chief Compliance Officer.**

[CCO NAME] is designated as the Firm’s Chief Compliance Officer (“Chief Compliance Officer”) and is empowered with full authority and responsibility to develop and administer the Firm’s on-going compliance program. The Chief Compliance Officer may designate one or more persons to carry out compliance responsibilities (“designee”); nonetheless, the Chief Compliance Officer remains, always, ultimately responsible for the Firm’s compliance program and its implementation. Such individuals will report directly to the Chief Compliance Officer. The Chief Compliance Officer should be notified immediately if the Firm has failed to identify or appropriately address any compliance issue.

### Compliance Manual Amendments

**Purpose of Policy: To set forth the policy governing compliance manual amendments**

[FIRM NAME] has adopted this Compliance Manual to reflect the Firm’s obligations under relevant federal and/or state securities laws, including the rules and regulations thereunder.

The Chief Compliance Officer is responsible for ensuring that the Compliance Manual is current and accurate at all times and for distributing the most current Compliance Manual to employees. No changes may be made to the Compliance Manual without the Chief Compliance Officer’s prior approval. The Chief Compliance Officer should be consulted immediately if the Compliance Manual does not address a material compliance risk or is inconsistent with the Firm’s practices.

[FIRM NAME] will maintain a copy of the current Compliance Manual and each prior version along with details on the date of adoption and nature of each amendment or revision. The [FIRM NAME] shall also maintain records of each employee’s acknowledgment of receipt of the Compliance Manual and any revisions thereto.

### Compliance Risk Assessment Procedures

**Purpose of Policy: To set forth the procedures requiring ongoing risk assessments.**

To create appropriate compliance risk controls, the Firm reviews its compliance risks and requirements across the entire entity. This is accomplished by evaluating the Firm’s various lines of business, identifying related conflicts of interest, and determining the relevant compliance rules and regulations that govern the Firm’s investment advisory activities.

Once relevant data is gathered and the Firm has identified and assessed its compliance risks, the Firm then reviews its controls, policies, and procedures to ensure they are reasonably designed to eliminate or mitigate those risks. Thereafter, risks are re-assessed in response to material changes in the Firm’s business, compliance reviews, regulatory examinations, or new rules and regulations are adopted.

### Training

**Purpose of Policy: To set forth the responsibilities for compliance training.**

The Chief Compliance Officer or designee will review applicable compliance policies and procedures with all new employees. The Chief Compliance Officer or designee will conduct compliance training with employees, either individually or in groups, as necessary.

### Annual Compliance Review

**Purpose of Policy: To set forth the policy requiring an annual review of the compliance program.**

[FIRM NAME] will conduct a documented review of its policies and procedures, at least annually, to determine their adequacy and the effectiveness of their implementation in consideration of:

1. the business being conducted by the Firm, its employees, and supervisory personnel;
2. any changes in the Advisors Act and/or applicable federal and/or state statutes, rules, and regulations; and,
3. any compliance matters that arose during the previous year.

This review incorporates any compliance matters that arose during the preceding year, any substantive changes in the Firm’s business activities, and any applicable regulatory developments. During each annual review, the Chief Compliance Officer, and staff, if applicable, evaluate and test both the efficacy and the implementation of the Firm’s written policies and procedures.

### Ongoing Monitoring

**Purpose of Policy: To set forth the policy regarding ongoing monitoring of the compliance program.**

The Chief Compliance Officer or designee will monitor and periodically test compliance with the Firm’s policies and procedures. In addition to monitoring personal securities transactions and other employee activities, the Chief Compliance Officer, and other supervisors, if applicable, periodically analyze the Firm’s books and records to detect patterns that may be indicative of compliance violations.

Reviews of policies and procedures may also be warranted in the event of a material change to the Firm’s business practices.

### Regulatory Inspections

**Purpose of Policy: To set forth the procedures for handling regulatory inspections.**

Inspections and examinations are authorized by federal and/or state securities laws. It is the Firm’s policy to fully cooperate with any inspection or investigation conducted by any other federal and/or state regulatory authority, or self-regulatory organization with proper jurisdiction.

[FIRM NAME] is subject to a regulatory inspection at any time. Accordingly, all activities must be conducted on a daily basis in accordance with this Compliance Manual to assure ongoing regulatory compliance. Upon receiving word that a regulatory agency intends to inspect the Firm, or arrives at the home office location unannounced, the following procedures must be followed:

1. The Chief Compliance Officer must be notified immediately and remain the contact person during the inspection.
2. Inspector identification must be provided (a business card is insufficient). Before any documents or information are shared with any regulatory authority, the following must be established:
	1. A photo ID must be presented to the Chief Compliance Officer or designee for validation;
	2. No documents or office access shall be provided unless the Chief Compliance Officer or designee is present; and
	3. If the Chief Compliance Officer is, or will be, unavailable at the time of the audit the Firm should request a date change.
3. The Chief Compliance Officer will coordinate document delivery.
4. [FIRM NAME] will document the records and files provided to the inspector(s).
5. [FIRM NAME] will provide adequate working space for the examiners.
6. Firm personnel must maintain respect and professionalism when dealing with examiners.
7. The Chief Compliance Officer should check in with the examiners periodically throughout the day to inquire how the exam is proceeding.
	1. Notes should be taken documenting all discussions with the examiners.
8. An exit interview should be requested before the examiners complete the inspection.

## Client Complaints

**Purpose of Policy: To set forth the definition of customer complaint for purposes of complying with applicable federal and/or state rules.**

A client complaint is defined as any grievance, expression of dissatisfaction or annoyance. All such communications must be treated as a customer complaint, regardless of the merit or validity of a customer’s allegations. Note: A withdrawn complaint needs to be handled in the same manner as any other complaint.

For purposes of this policy, a customer can be an investor, an accountholder, someone solicited for securities business, or someone authorized to act or speak on the customer’s behalf (e.g., Power of Attorney, Conservatorship).

A customer complaint may be against an employee, [FIRM NAME], or an investment sponsor, and may be received in a variety of ways including, for example:

* Telephone call;
* In-person meeting;
* In writing;
* Through email or other electronic means;
* Through social media; or
* Through the federal, state, or other regulatory body.

Although a complaint received from a party who is not authorized on an account is not considered a customer complaint for purposes of federal and/or state rules, the employee must alert the Chief Compliance Officer. The complaint will be subject to review and investigation as needed.

### Responding to and Resolving Customer Complaints

**Purpose of Policy: To set forth the policies related to responding to and resolving customer complaints.**

After forwarding a complaint to the Chief Compliance Officer the employee who is the subject of the complaint is required to prepare a detailed statement in response to the complaint and forward this statement, with supporting documents, to the Chief Compliance Officer for review. The Chief Compliance Officer is responsible for preparing a formal response to the customer.

There are no circumstances under which employees are permitted to respond to or settle complaints, or settle errors, without the express written approval of the Chief Compliance Officer. The sole authority to resolve complaints lies with the Chief Compliance Officer. Additionally, employees must not promise any outcome without the express written authorization of Compliance.

Except for responding to questions and comments about the substance of the complaint, an employee is permitted to continue communicating with the customer and should continue to service the account(s). If the customer wishes to discuss the complaint, the employee should advise the customer that the complaint has been referred to the Chief Compliance Officer.

### Recordkeeping

**Purpose of Policy: To set forth the recordkeeping requirements applicable to customer complaints.**

Upon receipt of a customer complaint, employees are required to collect and preserve all documents, whether hard copy or electronic, draft or final, that related in any way to the customer’s complaint. This includes but is not limited to original customer files, correspondence with customer, email communications, call logs, calendar entries, journal entries and notes, and account documents.

With respect to verbal complaints, employees must make notes of the conversation, forward a copy of the notes to the Chief Compliance Officer, and place such notes in the Firm’s complaint file.

A copy of the final response, along with the letter of complaint, must be maintained in the Firm’s complaint file and in the client file.

All records and documentation pursuant to the complaint should be preserved for a period of not less than six (6) years, the first two (2) years in an easily accessible place.

### Form U4/U5 Amendments

**Purpose of Policy: To set forth the requirements to amend Supervised Persons U4 or U5 after a client complaint.**

The Chief Compliance Officer or designee is responsible for determining if the employee’s Form U4 must be amended to report a customer complaint. An employee’s Form U4 will generally require an amendment to reflect a customer complaint if the complaint:

* Is written;
* Is investment related (pertains to securities, commodities, banking, insurance, and/ or real estate); Alleges sales practice violations (e.g., churning, suitability, switching, etc.); and
* Contains a claim for damages of $5,000 or more. If no damage amount is alleged, the complaint must be reported unless the Firm has made a good faith determination that the damages from the alleged conduct would be less than $5,000.

Additionally, an amendment to an employee’s Form U4 is required to reflect the following, regardless of the claim for damages:

* Written complaints alleging forgery, theft, or conversion of funds or securities;
* Most investment related arbitration proceedings and civil lawsuits; and
* Most arbitration awards and civil judgments.

Lastly, customer complaint settlements of $15,000 or more must be reported on the advisor’s Form U4, including settlements of verbal complaints for $15,000 or more.

All amendments to employees’ Form U4s and U5s due to customer complaints are drafted by the Chief Compliance Officer or designee.

It is the responsibility of employees, with the assistance of the Chief Compliance Officer, to verify the timely filing of amendments to Forms U4 and U5 that result from customer complaints. Updates to events already reported on Forms U4 and U5 are required to be made within thirty (30) days of the event triggering the update.

# Registration And Licensing

## Overview

**Purpose of Policy: To set forth the policies governing employees’ and administrative assistants’ registrations.**

All employees of [FIRM NAME] are prohibited from being registered or associated with another registered investment advisor or broker/dealer, and from sharing commissions or fees with someone who is registered or associated with another broker/dealer, unless prior approval has been provided by the Chief Compliance Officer or the registered broker/dealer is an affiliate of [FIRM NAME].

[FIRM NAME] generally does not allow statutorily disqualified individuals to be associated with the Firm.

## State Notice Filing/Registration Requirements

**Purpose of Policy: To set forth the Firm’s policies that are designed to comply with state securities registration requirements.**

The Firm is registered as an Investment Advisor with the Securities and Exchange Commission (“SEC”) and the Firm has filed “notice” in states where the Firm believes such filings are required. Unless otherwise permitted by regulation, the Firm may not solicit or render investment advice for any client domiciled in a state where the Firm is not properly notice filed.

In general, a notice filing is required in a state where the Firm: (i) has a place of business; (ii) holds itself out as an investment advisor; (iii) has more than five clients (the statutory minimum varies from state-to-state); or (iv) has IARs with a place of business in that state.

The Firm has filed the necessary notices in Arizona, Florida, Michigan, New Hampshire, and Texas since it currently exceeds the recognized statutory minimum of five or fewer clients within these states.

## Employee Registration Requirements

**Purpose of Policy: To set forth the Firm’s policies governing the registration of employees as Investment Advisor Representatives.**

Before offering any of [FIRM NAME] advisory platforms, employees must be registered as an Investment Advisor Representative (IAR) in any state where they have a “place of business,” as follows:

1. Any office where an advisor regularly provides advisory services, and/or solicits, meets with, or otherwise communicates with clients (e.g., a branch office); or
2. Any other location that is held out to the general public as a location where the advisor provides advisory services, and/or solicits, meets with or otherwise communicates with clients (e.g., by publishing information in a professional directory; distributing retail/institutional communications, business cards, stationery, or similar communications that identify the location as one where the advisor is or will be available to meet or communicate with clients).

The Chief Compliance Officer or designee will notify the advisor when the applicable state(s) has granted approval, and the advisor may begin to offer advisory programs. Before this time, including during the time the advisor’s registration is pending with a state, the advisor is not permitted to offer to clients or prospective clients, or otherwise engage in, advisory programs. This requirement applies to both an advisor who is becoming registered as an IAR and an advisor transferring their license to [FIRM NAME] from another firm.

Employees can view their investment advisor registration by going to [www.advisorinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Obligation To Update Form U4

**Purpose of Policy: To set forth the requirements related to keeping an advisor’s Form U4 current and accurate.**

Employees are required to keep their Form U4 information current and accurate. Failure to update the Form U4 in a timely manner can result in late filing fees being passed onto the advisor by [FIRM NAME], as well as disciplinary action by [FIRM NAME], the SEC, or other regulatory agencies. Except as otherwise noted below, employees are responsible for notifying the Chief Compliance Officer of events that require an amendment to the advisor’s Form U4.

### Disclosure Events Requiring a Form U4 Amendment

The disclosure events set forth in the Form U4 must be reported on a registered employee Form U4 promptly, but not later than thirty (30) days after they learn of the event. These events include, for example, the following. The Form U4 sets forth a complete list of the disclosure requirements.

* Name and address changes;
* Financial disclosures
* Bankruptcy when it is first filed and when it is discharged
* Settlements or compromises with creditors (e.g., credit accounts that are settled for less than the full balance, short sales)
* All judgments and liens when they are first filed and when they are satisfied/released (e.g., civil judgments, tax liens)

All licensed people must notify the Chief Compliance Officer or designee within three (3) business days of any changes (as discussed above) that require an update to the U4 to be filed. The Chief Compliance Officer or designee will update the Form U4 and file withing fourteen (14) business days from the date of notification.

* Criminal Disclosure
* Charged with or convicted of a misdemeanor involving investments or investment-related business.
* Charged with or convicted of any fraud, false statement, omission, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or conspiracy to commit any of these.
* Charged with or convicted of any felony (even if it is not investment related).
* Regulatory Disclosure
* Orders, hearings, fines, and investigations from any regulator (e.g., insurance commissioners, federal and/or state securities or investment advisor departments).
* Customer complaints. employees are responsible for forwarding customer complaints to the Chief Compliance Officer.

*Note: [FIRM NAME] may request copies of related court documents. Original or certified copies may be needed in certain circumstances.*

All licensed people must notify the Chief Compliance Officer or designee within three (3) business days of any changes (as discussed above) that require an update to the U4 to be filed. The Chief Compliance Officer or designee will update the Form U4 and file within thirty days (30) from the date of notification.

### Statutorily Disqualifying Events Requiring a Form U4 Amendment

**Purpose of Policy: To set forth the policy regarding statutorily disqualifying events.**

Employees must amend their Form U4 within ten (10) days of learning of a statutorily disqualifying event.

**No advisor who has been statutorily disqualified may be associated with [FIRM NAME].**

## Additional Address Change Reporting Requirements

**Purpose of Policy: To set forth employees’ address change reporting requirements other than those related to the Form U4.**

Employees must notify the Chief Compliance Officer or designee before changing the address of their office location or residence.

Employees must notify the state insurance regulator in any state where they hold a current insurance license. Address changes must be reported to the state issuing the license within thirty (30) days of the move to avoid any penalties/fines. Address changes for all states can be done on the NIPR website.

## Terminations

**Purpose of Policy: To set forth the Firm’s termination policy regarding registered employees.**

Upon a registered employee’s termination, [FIRM NAME] is required to disclose to:

* Any violations of laws, regulations, or policies
* The reason for the advisor’s termination
* Whether the advisor was the subject of an internal review for potential misconduct at the time of termination

[FIRM NAME] makes these disclosures by filing the individual’s Form U5 or other required regulatory filings. [FIRM NAME] will provide a copy of the U5 to the terminated individual.

## Principal Office

A principal office is defined to mean the “executive office of the investment advisor from which the officers, partners, or managers of the investment advisor direct, control, and coordinate the activities of the investment advisor.”

The Firm’s “Principal” office address is: [ADDRESS]

The Firm does not have branch offices that are listed on the Form ADV. The Chief Compliance Officer or designee handles updating the Form ADV if there is a change to the main or branch office information.

## Employee Mobility

**Purpose of Policy: To set forth the Firm’s advisor mobility policy.**

Each advisor must be associated with, and primarily work from, a registered location, which must be reflected on all business cards, stationery, and communications with the public. However, occasionally, employees may conduct [FIRM NAME] business from a nonregistered location, including, for example, from a second home, provided the following requirements are met:

* [FIRM NAME] business is conducted for less than thirty (30) aggregate business days per calendar year;
* If a residence, only one advisor may work from this location unless another advisor is an immediate family member and shares the same residence;
* The location is not held out to the public and the advisor does not meet clients there;
* Neither customer funds nor securities are handled at the location;
* All communications with the public (including electronic communications) must comply with the Firm’s content, approval, and retention requirements;
* The advisor must establish precautions for business to be conducted with appropriate confidentiality and security consistent with Firm policy.

If an advisor is using, or will use, a non-registered location for more than thirty (30) business days in a calendar year, the advisor must promptly report the location to the Chief Compliance Officer or designee, which will establish it as a registered branch or satellite location.

## Registration - Firm

**Purpose of Policy: To set forth the Firm’s policy regarding the Firm’s registration.**

The Firm is required to continuously maintain a current Form ADV. Material changes to Part 1 of Form ADV must be promptly filed via IARD or pursuant to the applicable State requirements.

If the Firm uses the IARD system, then any information disclosed in the following items which becomes inaccurate for any reason must be corrected or amended on the IARD accordingly (as applicable):

* + Part 1A: Items 1, 3, 9, or 11
	+ Part 1B: 1, 2A through 2F, or 2I

If the Firm uses the IARD system, then any information disclosed in the following items which becomes materially inaccurate, must be corrected, or amended on the IARD accordingly (as applicable):

* + Part 1A: Items 4, 8, or 10
	+ Part 1B: Item 2G

In either instance, the amended Part 1 of Form ADV must be filed via IARD within thirty (30) days of the occurrence that required the correction. All other corrections to Form ADV can be made during the annual amendment. If the Firm does not use the IARD system, then the Firm will comply with the applicable federal and/or state regulations regarding updating Form ADV.

If information provided in response to Part 2 of the Form ADV becomes inaccurate in any way, the Firm must update Part 2 promptly; Part 2 is required to be filed electronically via the IARD system. Should the amendment(s) to Part 2 affect an existing client (i.e., fee changes, broker/dealer relationships, other conflicts of interest, etc.), the amended Part 2 should be forwarded to the client.

The Chief Compliance Officer or designee is responsible for ensuring timely updating of Form ADV and subsequent delivery in applicable.

### Financial and Disciplinary Disclosures

**Purpose of Policy: To set forth the Firm’s policy regarding disclosure of certain financial and disciplinary events.**

Should the Firm or any control person(s) have any affirmative answers to certain disciplinary disclosures on Form ADV, such disclosures will need to be made on Form ADV.

Since the Firm is SEC registered, if it requires the prepayment of advisory fees of more than $1,200 from such client, six (6) months or more in advance, then the Firm must disclose to any client or prospective client all material facts with respect to a financial condition that is reasonably likely to impair the ability of the Firm to meet contractual commitments to clients. [FIRM NAME] does not require the prepayment of advisory fees of more than $1,200 from any client, six or more months in advance.

The Chief Compliance Officer, or designee, is responsible for ensuring that, if either or both of the above instances (as described within 206(4)-4) has occurred (as applicable), information regarding such will be disclosed to clients in the Part 2 of Form ADV promptly, and to prospective clients not less than forty-eight (48) hours prior to entering into any investment advisory contract, or no later than the time of entering into such contract if the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract.

### Annual Amendments

**Purpose of Policy: To set forth the Firm’s responsibility to file an annual ADV amendment.**

The Firm will conduct an in-depth review of Form ADV and its disclosures on at least an annual basis (prior to the annual amendment of Form ADV) to determine if any changes to the business mix, clients and regulatory environment necessitate changes to the disclosures within the form. The Chief Compliance Officer or designee, will be responsible for making any changes or amendments resulting from this review to Form ADV, supervising the filing of Form ADV with the SEC, and acknowledging that they are filing this information on behalf of the Firm and its employees.

An annual updating amendment must be filed on the IARD within ninety (90) days after the end of the fiscal year; the information filed is made public.

# Portfolio Management

**Purpose of Policy: To set forth the Firm’s policies regarding portfolio management and upholding a fiduciary duty to its clients.**

## Fiduciary Standard

All recommendations of investments to clients must be made for the client’s best interest. Investment recommendations must be based upon the client’s investment profile which includes:

* + risk tolerance
	+ level of financial sophistication
	+ asset allocation
	+ investment time horizon
	+ current financial situation (e.g., income and net worth)
	+ investment objectives
	+ investment restrictions
	+ financial goals

### Duty of Care

Advisors must exercise the duty of care when making investment recommendations which requires the advisor to provide investment advice in the best interest of the client, based on the client’s objectives. The following provisions are in place to ensure that all advisors of [FIRM NAME] are fulfilling their obligations set forth under the duty of care:

1. Advisors are required to provide advice and monitoring of the assets during the course of the relationship.
2. Advisors are required to offer to meet with clients at least annually to review their investments, whether they would like to impose any restrictions on their financial account, and whether or not they have had changes to their financial situation. The offer and/or the meeting are required to be documented in the client file.
3. Advisors are required to document all client interactions.

For more information on record keeping responsibilities please review the Record Keeping policy in this manual.

### Duty of Loyalty

Advisors must eliminate or make full and fair disclosure of all conflicts of interest which may impact a client’s decision to invest. Advisors are also required to put the client’s interest ahead of its own. To meet the obligations set forth under the duty of loyalty, advisors are required to make full and fair disclosure to clients about all material facts relating to the advisory relationship. This includes:

* + Fees associated with the investment.
	+ The capacity in which the Firm or Advisors is acting with respect to the advice provided.
	+ Disclosure when the advisor is acting in the capacity of a broker/dealer or insurance agent.
	+ How the Firm or Firm benefits or receives compensation from the investment recommendation.
	+ Disclosure of actual conflicts of interest.
	+ Disclosure of how the Firm is mitigating those risks to the client.

## Portfolio Management Process

The portfolio management at [FIRM NAME] is tailored to the individual needs of the client. Advisors will have at least annual suitability discussions with clients and their financial plan ultimately dictates the allocation in their portfolio. Advisors will perform market desk research, research on macro trends, tax loss harvesting and look at general market trends, when making their evaluation.

## Model Portfolios

**Purpose of Policy: To set forth the Firm’s policy regarding the use of model portfolios.**

It is the Firm’s policy to allocate discretionary portfolio management assets to certain third-party model portfolios where the portfolio manager believes such investments are in the client’s best interest. To rely on the safe harbor under Rule 3a-4 from the definition of Investment Company, the Firm shall meet the following conditions designed to ensure that participating clients receive individualized treatment.

* 1. Provide all prospective clients with a copy of Part 2A or its most recent Form ADV (or an equivalent disclosure brochure) and/or such other disclosures as may be required by the SEC and state(s) in which the client is solicited, if applicable;
	2. Obtain information from the client that is necessary to manage such client's account based on their financial situation, investment objectives, and instructions;
	3. The Firm may choose not to accept instructions from the client on the management of the account by the Firm, including the designation of securities or types of securities that should not be purchased for the account, or that should be sold if held in the account;
		1. [FIRM NAME] retains the discretion to decline any client account for any reason, including, without limitation, the imposition of restrictions or conditions on the account that the Firm deems unacceptable;
	4. Be reasonably available to consult with each client;
	5. On a periodic basis, the Firm notifies the client in writing to contact the Firm if there have been changes in the client’s financial situation or investment objectives, or if the client wishes to impose any reasonable restrictions on the management of the client’s account or reasonably modify existing restrictions and provides the client with a means through which such contact may be made. This notification may be included on quarterly statements sent to the client, or through other written notice or client communication.
	6. Personnel of the Firm who are knowledgeable about the client’s account and its management must be reasonably available to the client for consultation; and
	7. [FIRM NAME] will ensure that each client retains ownership of the securities and funds in their account(s), including, without limitation, the right to withdraw securities or cash, pledge securities, vote securities, be provided in a timely manner with all confirmations of securities transactions, and proceed directly as a security holder against the issuer of any security in the client’s account and not be obligated to join the Firm as a condition precedent to initiating such proceeding.

The custodian holding the client’s funds and securities will provide each client with periodic statements (including all account holdings, contributions and withdrawals, and the value of the account at the end of the statement period).

Regarding client investments in proprietary models, the client must have the same rights over the securities in the account as if they held those securities in their own name, including the rights to:

* 1. Withdraw securities or cash;
	2. Vote (or choose a proxy vote) on securities in the account;
	3. Proceed directly as a security holder against the issuer; and
	4. Be provided with timely confirmation of each securities transaction.

# Opening And Maintaining Client Accounts

**Purpose of Policy: To set forth the requirements to open a new client account.**

## Minimum Contract Requirements

**Purpose of Policy: To set forth the policy regarding client contracts.**

The Chief Compliance Officer or designee is responsible for the creation and maintenance of the advisory contract. At a minimum, the following provisions will be addressed within the advisory contract:

* Assignability of Contract: The Firm may not assign the contract to any other investment advisor without the prior consent of the client.
* Sharing in Customer Accounts or Performance Fees: The Firm does not permit sharing gains or losses in a client’s account without specific written approval by the client and by the Chief Compliance Officer, or designee; any performance fee must be structured to ensure compliance with Section 205 of the Advisors Act.
* Discretion: Any discretionary trading authority granted to the Firm will be obtained in writing from the client.
* Prohibition on Waiver of Compliance with the Advisors Act: The contract must not permit a waiver of any compliance with the Advisors Act (so called “hedge clauses”).
* Right to Receipt of the Contract: The contract must be presented at least 48 hours prior to its execution, or a 5-day recession period is permitted.
* Disclosure of Partnership Changes: If a partnership, the Firm will notify the client of any change in membership of such partnership within a reasonable time.

In addition to SEC requirements, each state in which the Firm is registered may impose additional requirements on the Firm to implement in its advisory contracts. The Chief Compliance Officer or designee is responsible for ensuring that the contract utilized in each state compiles with the relevant state statutes.

### Client Acceptance

The Chief Compliance Officer, or designee has the authority to determine whether the Firm will accept investment responsibility for a client relationship or for specific assets within an account.

Prior to acceptance of a new account, or as soon as possible thereafter, the Advisor will consult with the client to understand their current circumstances (investment needs, objectives, financial situation, risk tolerance and any specific constraints). The investment strategy for the client will then be determined, along with the authority of the Firm (currently discretionary trading authority).

Both the investment strategy and trading authority of the advised client will be documented in the client’s file at the Firm.

## New Account Documentation

**Purpose of Policy: To set forth the Firm’s policies regarding knowing your client and anti-money laundering.**

Industry regulations require financial advisors to obtain and maintain essential information about their clients. This account profile information is utilized by employees and [FIRM NAME] to meet a variety of regulatory obligations, including investment suitability reviews, client communications, and anti-money laundering requirements.

**A new account will not be opened (and will be restricted from transacting business) until all required documentation is received and in good order.**

### Identity Verification

#### Government-Issued Identification

Each client opening a new account must provide information from a valid form of government-issued identification, such as an unexpired U.S. driver’s license or passport for a natural person, or a valid business license or registered articles of incorporation for a legal entity. This information includes identification type, place of issuance, ID number, and where applicable, issuance and expiration date. The advisor must personally review the original document, and it cannot be altered.

All information appearing on the ID document must conform to the information provided by the client on the new account documentation. For natural persons, the ID photograph must match the client’s physical appearance. The advisor should note if the client’s ID does not include a photograph, such as with some U.S. state driver’s licenses. For business entities, the persons authorized to act on behalf of the business entity must be noted on the account.

### Customer Identification Program

The activities performed during the new account process are the first steps to “know your client” by:

* Collecting identifying information from clients
* Verifying clients’ identity to a reasonable degree of certainty
* Disclosing to clients that account opening information will be used to verify their identities
* Maintaining records to verify a client’s identity

In compliance with industry regulations, including regulations implementing Section 326 of the USA PATRIOT Act, the Firm will ensure that the following information is gathered and submitted by the financial advisor when opening a new account for a customer (Note: this information must also be gathered for each owner of the account):

* Account holder’s full name;
* Account holder’s mailing address and residence address, or – for a person other than an individual – the principal place of business records to verify a client’s identity;

*Note: Post Office Boxes are unacceptable for an individual’s residential address or legal entity’s place of business. For an individual who does not have a residential or business street address, then the residential or business street address of their next of kin or other contact individual is acceptable.*

* Account holder’s date of birth (for individuals);
* Account holder’s country of citizenship; and
* SSN/Tax ID number (or in the case of a non-resident alien, a passport number and the name of the country that issued the passport).

### Accounts Requiring Additional Review

Anti-Money Laundering (“AML”) regulations require enhanced due diligence for certain types of accounts. These accounts include:

* Accounts for current or former senior foreign political figures and their close associates
* Accounts representing private banking account relationships for foreign persons
* Offshore accounts (also known as “personal investment firm” or PIC accounts);
* Accounts for foreign financial institutions are not permitted.
* Accounts for clients that reside in blocked countries are not permitted.

Further, accounts for foreign financial institutions cannot be maintained, and accounts for money services businesses are not allowed unless they are for retirement plans only.

### Maintaining Current Account Information

Advisors are required to make reasonable efforts to ensure client account profiles are current. [FIRM NAME] strongly encourages advisors to periodically review the account profile information with clients during routine portfolio review meetings.

In addition to evaluating each individual request by a client, advisors can often best detect patterns of suspicious activity and other red flags during their periodic review of client account statements.

## Account Profile Information

**Purpose of Policy: To set forth the information that is required to be collected prior to opening a client account.**

The following information provides helpful context and insight on the required new account document data fields for each account holder.

### Name

Accounts should be titled in the client’s full legal name, as it appears on the client’s government-issued ID. This assists with verifying the client’s identity, as required by the USA PATRIOT Act. Omitting the client’s middle name or using the middle initial is acceptable. It is also permissible to use a common nickname for the client’s first name (such as Joe for Joseph). However, this may require additional supporting documentation.

It is prohibited to open accounts under false/fraudulent names or titled as “numbered” accounts to hide the client’s identity.

### Address

Clients must provide a valid mailing address when opening an account. If the mailing address is different than their residence, clients must also provide their residence address. Account documentation, checks, and notifications will be sent to the client’s primary mailing address.

If the client’s state of residence is different than the state of their mailing address, employees must be registered in both states.

If a client moves to another state, the financial advisor is required to be registered in the client’s new state of residence. If not registered in that state, the advisor must either:

* Request registration in that state.
* Decline acceptance of the new client.

### Social Security or Tax ID Number

For tax-reporting purposes and to assist in validating the client’s identity, all persons living in the U.S. are required to provide their Social Security or Tax ID Number when opening a financial services account.

### Date of Birth

The date of birth confirms that clients have reached the minimum legal age to enter into a legal contract. Further, it is essential when making suitability determinations on client investments. For example, a client’s age may be a significant factor against adopting an aggressive options trading strategy in an investment account.

### Non-Resident Alien/Country of Citizenship

Any client that resides outside of the U.S., regardless of their citizenship, is required to provide additional documentation evidencing their residence address and their active account relationship with another U.S. financial institution besides the Firm.

**[FIRM NAME] will not maintain any client accounts for individuals domiciled abroad permanently.**

#### OFAC-Sanctioned Countries

Federal law and industry regulations, as well as Firm policy, include restrictions or prohibitions on opening accounts for residents of certain foreign countries. Before opening an account for a client who is a citizen (but not a resident) of a sanctioned country listed by OFAC, employees must submit a copy of the new account documentation to Compliance for review and approval.

Additional documentation evidencing the client’s employment, source of wealth, and income may be required. The advisor will also be asked whether the client travels to or has any financial ties to their country of citizenship.

If the client information appears to be reasonable and there are no readily identifiable areas of concern, approval is granted to open the account. This review and approval by Compliance is noted on the account when it is opened.

However, if areas of concern are identified, the request to open the account is brought to the attention of the AML Officer and a determination of whether to open the account will be made.

### Financial Information

Clients are required to disclose information about their financial status in order to determine the suitability of investment recommendations or trading activity.

If a client informs their advisor of a change in their financial situation, the financial advisor should review the account’s current investment objective, as well as the rest of the account profile information, with the client to ensure it is still appropriate. All changes in account profile information must be submitted to the Firm in a timely manner.

### Net Worth and Liquid Net Worth

Net worth is determined by subtracting total liabilities from total assets. Per industry regulation, the client’s primary residence must be excluded when calculating net worth.

[FIRM NAME] defines liquid net worth as any assets that can be liquidated within thirty (30) days, such as cash, checking and savings accounts, money markets, IRAs, and marketable securities. The market value of any assets being deposited in the new account should also be included. All real estate holdings must be excluded from the calculation.

### Source of Wealth / Funds

Source of Wealth refers to the origins of the client’s entire body of wealth and can include inheritances, investments, business ownership interests, or employment income.

Source of Funds refers to the origin of the money or assets held in an account, such as personal savings, pension releases, share sales and dividends, property sales, inheritances and gifts, or compensation from legal rulings.

### Other Assets

The SEC holds investment advisor representatives to the fiduciary standard. This means that the advisor must always act in the best interests of the client. This requires that Advisors have a good understanding of the client’s overall financial situation to make proper investment recommendations. Discussing a client’s financial situation can provide valuable insight into the client’s general view towards investments and their understanding of the investment risks posed by various types of assets.

To understand a client’s overall financial situation, Advisors must be aware of a client’s total assets, including those held at other financial institutions, and rough percentages of how they are divided among asset categories, such as mutual funds, bonds, equities, alternative investments, and checking and savings accounts. A client's primary residence is excluded when reviewing total assets.

### Liquidity Needs

Advisors are required to ascertain a client’s liquidity needs for a specific financial expenditure that will be covered using funds from the investment account. If there is a liquidity need, the advisor must determine if the funds will be needed in less than or more than three years, and approximately how much will be needed during that time range.

For example, if a client wanted to use a 529 plan account to fund their child’s college education, beginning in six years. The advisor should record the account’s liquidity need and that the liquidity event is more than three years from now.

If the client wants to generate a certain level of income for living expenses (such as mortgage, food, utilities, car payment, and insurance premiums), it must be recorded as a liquidity need. However, it is not a liquidity need if a client has dividends and interest paid out to cover incidentals, such as occasionally buying gifts or going to a fine restaurant.

### Investment Strategy/Technique

An advisor-recommended investment technique or strategy is the account’s general game plan or approach to investing to achieve the client’s objective. This information must be documented in the account.

### Time Horizon

The choices for time horizon are 1-3 years, 3-5 years, 5-10 years, and more than 10 years. Clients can have different time horizons for their various accounts.

For example, clients may have a 529 plan account to fund their child’s college education and IRAs for their living expenses in retirement. The clients’ daughter is currently 12 years old and is expected to begin college in six years. Therefore, the time horizon for the 529 plan is 5-10 years. Since the clients are 40 years old and do not expect to retire until their 60s, the time horizon for their IRAs is more than 10 years.

### Employee Stockholder

Advisors must indicate if a client is an officer, director, or major stockholder of a public firm. This information is critical to evaluating client investment activity involving firm stock, which may include restricted shares, or activity that may be considered insider trading.

## Client Billing

**Purpose of Policy: To set forth the policy regarding client billing.**

### Overview

The terms of a client’s advisory fees and expenses are typically detailed in an advisory agreement and described in an advisor’s Form ADV, and other materials provided to the client. An advisor that fails to adhere to the terms of these agreements and disclosures, or otherwise engages in inappropriate fee billing and expense practices, may violate the Investment Advisors Act of 1940 (“Advisors Act”), and the rules stated thereunder, including the antifraud provisions. Moreover, advisors must adopt and implement written policies and procedures reasonably designed to prevent such violations.

### Policy

The Firm offers advisory services which are based on a percentage of assets under management. The elements of the fee arrangements are reviewed with the client, including:

* Amount of charges
* When payment is due
* Termination provision of contract
* Method of valuation of assets under management or financial planning fee if applicable
* Method of fee payment/collection

Advisors should walk through each client’s advisory contract with the client and explain their specific fee structure. Advisors do have the discretion to offer clients a discount from the listed investment management rate, however the Chief Compliance Officer or approved representative is required to approve all discounted rates.

The Firm’s advisory fees are debited directly from the client account. Clients are charged monthly in arrears based on the last day of the month. Payment of the fees will be made by the qualified custodian, holding the client’s funds and securities. The billing details are stated in the investment advisory contract.

With respect to its billing practices, the Firm will only have advisory fees debited from the client’s brokerage accounts where the following requirements are met:

1. The client provides written authorization permitting the fees to be paid directly from the client’s account held by the independent custodian. [FIRM NAME] will not have access to client funds for payment of fees without client consent in writing.
2. [FIRM NAME] communicates with the custodian through their approved methods. Copies of all billing files will be retained in the Firm’s books and records.
3. By default, all invoices are delivered electronically, which is part of [FIRM NAME] contact and custodian contracts. The custodian delivers the client a statement, at least quarterly, indicating all amounts dispersed from the account including the amount of the advisory fee paid directly to the Firm.

In the event the client declines electronic statement delivery in the Firm’s investment advisory contract the Firm will provide the custodians statement to the client containing the advisory fee deduction and other details contained in the custodians’ statement.

The Chief Compliance Officer or designee will review the Firm’s custodians to verify they are fulfilling their contractual obligations related to properly providing statements to the Firm’s clients and that the Firm maintains access to the client’s duplicate statements when possible.

The Chief Compliance Officer or designee is responsible for conducting periodic testing to determine that the amount of a client’s assets under management on which the fee is billed is accurate and has been reconciled with the assets under management reflected on the statement provided by the qualified custodian and billed in accordance with the terms of the client’s advisory contracts.

The Chief Compliance Officer or designee is responsible for overseeing the invoice of fees provided to custodians to deduct fees from clients’ accounts and reconciling those invoices against the deposits of advisory fees.

If any Supervised Person detects a discrepancy in billing, they are required to report it to the Chief Compliance Officer. The Chief Compliance Officer or approved representative will work with the custodian to correct and is required to notify the client.

* If a client has been overcharged, they will be promptly refunded within thirty (30) days from when the Chief Compliance Officer becomes aware of this condition.

All records related to billing will be recorded in the Firm’s books and records and retained for a period of six (6) years.

### Direct Billing

**Purpose of Policy: To set forth the policy regarding direct billing of fees.**

Advisory fees due to [FIRM NAME] will be deducted directly from Client accounts under management and will be paid directly to [FIRM NAME].

Financial planning fees may be paid directly to [FIRM NAME] by check or credit/debit card. [FIRM NAME] does not accept payments by cash.

The Chief Compliance Officer or designee will conduct periodic testing to ensure that all payments not directly debited from client accounts conform to the requirements in this policy.

## Suspicious Activity

**Purpose of Policy: To set forth the requirement of all employees to report suspicious client activity.**

Determining whether a client’s request or account instruction is possibly suspicious activity is certainly subjective and dependent upon the pertinent facts for each client. Generally, any activity that is not consistent with routine business practices, violates the Firm’s policy or procedures, or is contrary to known client information should be considered as possibly suspicious activity and subject to further review.

### Red Flags

Indicators of suspicious activity when a client opens a new account which, if unexplained, may evidence money laundering activity includes, but is not limited to:

* Client provides unusual or suspicious identification documents that cannot be readily verified.
* Client cannot provide bank references from known and reputable institutions and fails to provide other credible references.
* Client purports to represent a firm but provides only general, boilerplate data about that entity and cannot provide evidence of ongoing and legitimate business activity, such as names of suppliers or purchasers.
* Client refuses to identify a legitimate source of wealth and income Client is reluctant to discuss their anticipated account activity.
* Publicly available (or reliable) sources (such as reports of rating agencies, news and media sources, and industry sources) report possible criminal, regulatory, or civil fraud violations by the client.
* Client opens multiple accounts with the same beneficial owners or controlling parties for no apparent business reason.
* Client has no discernible reason for using the Firm’s services or maintaining an account with the Firm in a particular geographic region.

## Prohibited Activities

**Purpose of Policy: To set forth the activities that are prohibited for employees of the Firm.**

The following is a non-exhaustive list of activities in which employees are prohibited from engaging.

* Recommending or engaging in acts designed to conceal or disguise a client’s identity, the source of investment funds, or to avoid regulatory recordkeeping.
* Directly or indirectly sharing in the profits or losses of a client’s account. This prohibition includes being listed as a beneficiary on a client’s account, annuity, insurance policy or other client asset, or listing as a beneficiary another person (e.g., spouse, assistant) in the advisor’s place, unless the client is also an immediate family member.
* Agreeing to repurchase a security from a client.
* Accepting a check from a client made payable to any person or entity other than the Firm or a Firm approved product sponsor.
* Forwarding, or agreeing to forward, original confirmations or account statements to an address other than the address provided on the client’s New Account Application and Agreement, including any [FIRM NAME] branch or mail location.
* Accepting cash or money orders from a client.
* Establishing escrow or collateral accounts without the prior written approval of Compliance.
* Taking proxy authority or voting proxies that are solicited for securities held in any [FIRM NAME] advisory account.
* Advising or acting on behalf of clients in legal proceedings including class actions, or bankruptcies, involving securities purchased or held in clients’ accounts.
* Recommending or using any form of credit related liquefied home equity from a client’s primary residence, secondary residence, or any investment property for the purpose of investing in any security, variable insurance, approved outside products such as fixed insurance, investment advisory products, or any products and services offered or sold in the capacity of an investment advisor representative. An accommodation for an employee to be able to discuss with a client obtaining liquefied equity on the client’s property is subject to Chief Compliance Officer approval and may be considered under limited circumstances.
* Additionally, the use of excess mortgage proceeds for investment from the sale of a home (i.e., downsizing) would be permissible in the event it was not a strategy recommended to a client and the client did not obtain new mortgage related funds for the purchase of their residence.
* Providing tax advice to clients. Clients should be advised to consult their own tax advisor.
* Providing legal advice to clients. Prohibited legal advice includes, but is not limited to, advice on wills, joint ownership of property, transfers, or distribution of property after death or how to take title on an account.

## Wired Funds

**Purpose of Policy: To set forth the policy regarding wires to and from the Firm’s managed accounts.**

### Overview

[FIRM NAME] requires a client to sign letter of authorization for any outgoing wire transfer requests. It is the general policy of the Firm to only process electronic funds transfers to U.S. financial institutions. Employees must not process wire instructions based on email instructions from a client. All email instructions must be confirmed verbally or in person prior to submitting to [FIRM NAME] for processing.

### Wiring Funds Out of a Firm Account

Funds can be delivered out of a client’s account via wire for a nominal fee. The client must complete the applicable authorization form. Firm policy requires that the owner of the account receiving the wire must also be the owner of the [FIRM NAME] account.

For third-party wires, additional documentation will be required and will undergo additional scrutiny.

[FIRM NAME] will not wire funds outside the U.S. While exceptions are not typically granted, they will be reviewed on a case-by-case basis.

## Custody of Client Funds

**Purpose of Policy: To set forth the requirements of the Firm to avoid obtaining custody of client funds.**

An advisor would be deemed to have custody if it directly or indirectly holds client assets, has any authority to obtain possession of them, or has the ability to appropriate them. The following situations create a custody status: constructive custody (annual surprise custody audit not required); deducting advisory fees from client accounts; or maintaining standing letters of authorization (“SLOA”) to third parties.

An advisor may allow the above activities and will not be subject to the implications of “Real Custody” as detailed below if certain safeguards are met. Please see Fee Deduction and Standing Letters of Authorization below.

Real Custody (Annual surprise custody audit required)

* Collecting more than $1,200 in advisory fees, six months or more in advance
* Maintaining client login credentials
* Serving as trustee for client accounts
* Having power of attorney over client accounts
* Holding onto client checks for longer than seventy-two (72) hours (3 business days)
* Receiving stock certificates from the client and forwarding them to the custodian
* Receiving of third-party checks made payable to the client and forwarding them to the custodian
* Managing a private fund

As a matter of policy, [FIRM NAME] does not have real custody over Client funds or securities, however, the Firm has limited custody due to the deduction of advisory fees from Client accounts and SLOAs to third parties.

### Handling Client Checks and Securities

[FIRM NAME] follows the below procedures when handling client securities:

Checks:

○ The employee will either forward checks to the Custodian or utilize remote check deposit via the Custodian’s software within three (3) business days. Checks that are deposited remotely are kept for at least ten (10) days to ensure proper settlement of the funds.

○ Third party checks made payable to the Client will be returned to the Client within three (3) business days.

Security Certificates:

○ The employee will not accept security certificates at the employee's office but may advise clients on how to securely deliver certificates to their Custodian. will tell Clients not to send security certificates to the employee’s office.

○ If the employee receives security certificates inadvertently, the employee will promptly return/forward the security certificate(s) to the Client with instructions on how to direct them to the Custodian to deposit in their account(s).

Direct Deposit of Funds

○ The employee will not accept nor solicit direct deposit of any client funds into accounts held by any Supervised Persons with the exception of fees paid directly from Client accounts through a qualified Custodian. The employee will tell Clients not to send client funds to the employee’s accounts.

○ If the employee receives deposited funds inadvertently, the employee will promptly return the funds to the Client with instructions on how to direct them to the Custodian to deposit in their account(s).

The employee documents all checks, and security certificates received, whether forwarded to the Custodian or returned to the Client, within the Checks and Securities Log.

### Standing Letters of Authorization

An advisor may have custody of assets if they have SLOAs to third parties, thereby requiring the advisor to disclose that they have custody of client funds. However, an advisor may not subject to the independent surprise examination requirement of the Custody Rule if they meet the seven (7) conditions below:

1. The client provides an instruction to the custodian, in writing, which includes the client’s signature, the third-party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.

2. The client authorizes the advisor, in writing, either on the custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

3. The client’s custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization and provides a transfer of funds notice to the client promptly after each transfer.

4. The client has the ability to terminate or change the instruction to their chosen custodian.

5. The advisor has no authority or ability to designate or change the identity of the third-party, the address, or any other information about the third party contained in the client’s instruction.

6. The client’s custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice confirming the instruction.

7. The advisor maintains records showing that the third party is not a related party to the advisor or located at the same address as the advisor.

The employee has the following policies and procedures in effect for accounts with SLOAs to ensure that all seven (7) conditions above are met:

* The Chief Compliance Officer maintains a comprehensive list of all account(s) with SLOAs.
* Work with the Custodian to ensure the Custodian can meet conditions one through six above.
* Related parties of the Firm are prohibited from being named the recipient of a third-party SLOA on client accounts. **No exceptions will be granted for familial situations.**
* Additionally, for the seventh condition, the Chief Compliance Officer will confirm that the third-party recipient is not a related party of the employee.

### Advanced Collection of Fees

As a matter of policy, [FIRM NAME] does not collect advance payments of $1,200 or more, six (6) months in advance of services rendered. In the event that more than $1,200 is collected, the advisor will ensure services are completed within six (6) months.

### Login Credentials

[FIRM NAME] does not maintain client login credentials. Clients who give [FIRM NAME] login credentials will be advised of this policy.

An advisor may be deemed to have custody of assets if they maintain client login credentials. The maintenance of login credentials creates a custody status for assets within those accounts because, with client login information, the Firm would have the ability to change certain fields and/or presets within the client’s account(s) including, but not limited to, mailing address, email address, bank accounts, etc. Additionally, with login credentials, an advisor could transfer funds out of the account without triggering approval from the client.

### Verification of Client Statements

Under the Custody Rule, advisors must maintain client funds and securities with a “qualified custodian.” A qualified custodian is a custodian that maintains client funds and securities. [FIRM NAME] has several independent qualified custodians. Additional each qualified custodian is required to send client’s account statements at least quarterly, some provide monthly.

The Chief Compliance Officer or designee will verify at least annually that client statements are being delivered in accordance with the client agreement, and the agreement between the Firm and the custodian.

## Providing Documents and Information to Clients

**Purpose of Policy: To set forth the policy regarding the requirement documents and information to be provided to clients.**

### Documents Provided at Account Opening

Copies of the following documents must be provided to clients at account opening and any time upon request:

* Account Application
* New Account Form
* Account Packet – [FIRM NAME] Agreement(s) and required disclosures (i.e., Privacy Policy)
* ADV Part 2A - Disclosure Brochure
* ADV Part 2B – Brochure Supplement

### Additional Documents Provided Upon Signature

If applicable, copies of the following documents must be provided to clients when signed:

* Custodial Limited Power of Authority
* Qualified Rollover Form

### Documents Available Upon Request

Copies of any documents signed by a client and the following must be provided upon client request:

* Previous account statements
* Account Packet – [FIRM NAME] Agreement(s) and required disclosures (i.e., Privacy Policy)
* Supporting documentation (such as trust certifications)
* Investment applications (such as an application to invest directly with a mutual fund)
* Standing Letters of Authorization
* Fee Schedule information about [FIRM NAME]

## Document Signature Policy

**Purpose of Policy: To set forth the policy regarding client signatures.**

All documents requiring customer signatures and/or initials must bear the original customer signature and initials. Documents signed electronically must be signed using a Firm approved vendor, which validates the client's identity and suffices as an original signature.

The following actions are prohibited, regardless of client knowledge or consent:

* Signing a client’s name or initials
* Witnessing the signing of a client’s name or initials by someone other than the client (unless that individual signing the client’s name or initials has legal authority to do so, with legal and effective Power of Attorney, or valid Court Order, for example)
* Re-using a client signature or the signature page of a form to execute multiple transactions or requests
* Cutting or pasting previously provided client’s signature or initials to any documents
* Modifying any client signature or initials, written instructions, dates, or any other client marks after such documents have been signed/initialed. All changes to documents must bear original signatures and client initials
* Having clients sign any blank document, or altering any document (including the use of white out) after a customer has signed the document, including but not limited to application documents, disclosure documents, account documents, letters of instruction, or withdrawal forms, shall also be considered a violation of this policy and is prohibited, regardless of client knowledge or consent
* Obtaining or maintaining documents signed by the client but not fully complete
* Using a signature stamp of any type without prior written approval from the Firm. All signatures must be the original signature of the advisor, supervisor or associated person required to execute the document.

## Proxy Voting

**Purpose of Policy: To set forth the policy regarding voting client proxies.**

[FIRM NAME] does not vote proxies on behalf of our client’s advisory accounts. At the client’s request, we may offer advice regarding corporate actions and the exercise of the client’s proxy voting rights. If the client owns shares of common stock or mutual funds, the client is responsible for exercising their right to vote as a shareholder. This policy has been disclosed on the Form ADV Part 2A.

In most cases, the client will receive proxy materials directly from the account custodian. However, in the event the Firm receives any written or electronic proxy materials, documents are forwarded directly to the client by mail or email, if the client has authorized the Firm to contact them by email. The Chief Compliance Officer or designee is responsible for ensuring all proxies are properly delivered to clients if they are received by the Firm.

## Annual Client Review

**Purpose of Policy: To set forth the policy regarding annual client reviews.**

Advisors are required to offer their clients a review of their portfolio at least annually, to determine if the client has had any material changes in their finances, would like to add any restrictions to their portfolio and review the performance of their investments. Clients are not obligated to hold this meeting. Notwithstanding, the Advisor is still required to periodically, no less than annually, review their clients’ accounts and investments.

## Periodic Client Reviews

**Purpose of Policy: To set forth the CCO’s responsibility to review new client accounts.**

The Chief Compliance Officer, or designee, will periodically audit new advisory account documents to review that all necessary client profile information is received, that the recommendations are suitable for the client, and that the trading authorization (if applicable) is appropriate. All estate and related documentation should be reviewed to ensure that all authorized parties are identified and instructions regarding the account have been approved.

In addition, any pre-determined contributions or distributions to/from the account should be reviewed to determine if such activity would materially impact the suitability of the account and/or the investment strategy recommended by the Firm. Any necessary information related to the account as it would materially impact the investment advisory services provided by the Firm should be recorded in the client file in order to ensure that changes in staff or policy does not result in errors in recommendations or activity to the account.

## Client Termination

**Purpose of Policy: To set forth the policy regarding the termination of an advisory relationship.**

When a client notifies the Firm, they wish to terminate the advisory relationship, the Chief Compliance Officer, or designee, is responsible for reviewing the history of the client relationship, including activity and recommendations, to determine that the Firm performed its fiduciary duties in accordance with regulatory guidelines and internal policies. If the client alleges or complains of a failure of the Firm to properly advise or manage the client’s account, the Chief Compliance Officer, or designee, is responsible for documenting the complaint, gathering any and all relevant documents relating to the account, and notifying counsel, if applicable (see Customer Complaints section in this manual).

The Chief Compliance Officer, or designee, is responsible for ensuring the assets are transferred or distributed in accordance with the instructions of the customer in a timely manner, as reasonable; this includes any refunds of advisory fees as applicable. While an account is in the termination process and until all assets are distributed in total, the distribution must be monitored to ensure that the account file is properly maintained.

Once the client relationship is terminated, the client’s documentation should be moved into a designated file for terminated accounts.

### Deceased Clients

**Purpose of Policy: To set forth the Firm’s policies and procedures when notified of a client’s passing.**

When the Firm is notified that a client has passed away, the Firm will take several steps:

1. The Firm will follow its client termination policy to final bill or refund fees collected on the account through the date of notice.
2. The Firm will cease trading in the client account and notify the custodian so that they can place a hold on the assets and account to prevent fraud.
3. The Firm will request the death certificate from the estate or beneficiaries and confirm the beneficiary’s information if the information had previously been provided by the client.
4. The Firm will work with the beneficiaries to transfer the assets out of the descendants’ accounts.

The Firm has no obligation to transfer assets for beneficiaries uninterested in becoming a client of the Firm. No account opened on the institutional platform of the Firm’s custodian can be opened without a signed client agreement granting the Firm discretion over the investment assets.

The Firm maintains privacy obligations over the deceased’s accounts and will not share any information with the beneficiaries or trustee/executor about the account assets until the Firm has independently verified the identity of the beneficiary/executor.

### Abandoned Accounts

**Purpose of Policy: To set forth the policy regarding abandoned accounts.**

Abandoned accounts are defined as (i) accounts in which the Firm or its Supervised Persons have been unable to contact the principal on the account for a period of two (2) years (ii) the Firm was notified of the client’s passing but was never provided any beneficiary information (iii) accounts were the client has notified the Firm they will be transferring out but remain under Firm management for an additional three (3) months.

The Firm retains the authority to revoke its limited power of authority on each account in which it manages, however pursuant to the Firm’s Investment Management Agreement, the Firm will provide written notice prior to terminating the client’s agreement and revoking its Limited Power of Attorney (“LPOA”) over the account.

The account termination letter will be provided to the address of record for the account, no less than the time required by the Investment Management Agreement. The letter must include information about the client to contact the custodian and the date that the termination will be effective.

All letters in relation to terminating a client agreement will be maintained in the client file for a period of six (6) years.

# Regulation Best Interest (Reg BI)

**Purpose of Policy: To set forth the policy regarding Reg BI**

Under Regulation Best Interest, or Reg BI, [FIRM NAME], and its associated persons (APs) must act in the best interest of retail customers when making a recommendation of any securities transaction or investment strategy that involves a security, including account recommendations. When making such a recommendation, [FIRM NAME] and its APs cannot place their financial or other interests ahead of the retail customer's interests.

Reg BI’s requirement to act in the best interest of a retail customer is referred to as the General Obligation. The General Obligation consists of four underlying obligations – Disclosure, Care, Conflicts of Interest and Compliance – that collectively satisfy the General Obligation. [FIRM NAME] and its APs must comply with the General Obligations and four underlying obligations by following the applicable policies and procedures.

##  Reg BI - Disclosure

[FIRM NAME] must provide a full and fair written disclosure of all material facts regarding the (1) scope and terms of their relationship with the retail customer, and (2) conflicts of interest for [FIRM NAME] and its APs to a retail customer. The disclosure must be made at or before an AP makes a recommendation to the customer.

The relationship summary, which discloses this information about the firm, to retail investors is referred to as Form CRS. [FIRM NAME] and its APs must comply with Form CRS requirements by following the applicable policies and procedures.

**5.1.1 Form CRS**

Form CRS must explain the types of client/customer relationships and the services the firm offers, the fees, costs, conflicts of interest, and required standard of conduct associated with those relationships and services, and whether the firm and its financial professionals currently have any reportable legal or disciplinary history.

Form CRS must be delivered to prospective clients either at the beginning of a relationship with the firm, following a material change to the details of Form CRS, or upon certain events, such as when the client re-engages for a new or different relationship or service with the firm. Under Exchange Act Rule 17a-14, Form CRS will also be filed electronically through WebCRD. In addition, it must also be delivered to all existing clients along with being posted to the firm’s current website.

To help make Form CRS easier to compare between firms, the SEC has created five sections, along with certain language or questions to be answered in each section, that must be addressed: an Introduction, a description of Relationships & Services, a summary of Fees, Costs, Conflicts, and Standard of Conduct, Disciplinary History, and where to go for Additional Information.

Form CRS must be delivered to clients and prospective clients either at the beginning of a relationship with the firm, following a material change to the details of Form CRS, or upon certain events, such as when the client re-engages for a new or different relationship or service with the firm. Under Exchange Act Rule 17a-14, Form CRS will also be filed electronically through WebCRD. In addition, it must also be delivered to all existing clients along with being posted to the firm’s current website.

Our CCO or designated principal will:

* Update the relationship summary and file it in accordance with Form CRS instructions within 30 days whenever any information in the relationship summary becomes materially inaccurate. The filing must include an exhibit highlighting the changes;
* Communicate any changes in the updated relationship summary to retail investors who are existing clients or customers within 60 days after the updates are required to be made and without charge;
* Deliver the amended relationship summaries highlighting the most recent changes or providing an additional disclosure showing revised text or summarizing the material changes as an exhibit to the unmarked amended relationship summary;
* Deliver the current Form CRS to each prospective client before a recommendation of account type, securities transaction, or a recommendation of investment strategy involving securities is made or before placing an order for a retail investor, whichever is earliest;
* Deliver the most recent relationship summary to a retail investor who is an existing client or customer before or at the time [FIRM NAME]: (i) opens a new account that is different from the retail investor’s existing account(s); (ii) recommends that the retail investor roll over assets from a retirement account into a new or existing account or investment; or (iii) recommends or provides a new brokerage service that does not necessarily involve the opening of a new account and would not be held in an existing account; and
* Deliver the relationship summary within 30 days upon an investor’s request.

##  Reg BI – Care

[FIRM NAME] through its APs, must exercise reasonable diligence, care and skill when making a recommendation to a retail customer to:

* Understand potential risks, rewards, and costs associated with the recommendation, and have a reasonable basis to believe that recommendation could be in the best interest of at least some retail customers. (“Reasonable Basis”)
* Have a reasonable basis to believe the recommendation is in the best interest of a particular retail customer based on that retail customer’s investment profile and the potential risks, rewards, and costs associated with the recommendation and does not place the interest of the advisor ahead of the interest of the retail customer (“Customer-Specific”)
* Have a reasonable basis to believe that a series of recommended transactions, even if in the retail customer’s best interest when viewed in isolation is not excessive and is in the retail customer’s best interest when taken together in light of the retail customer’s investment profile (“Quantitative”)

When making a recommendation, [FIRM NAME] and its APs cannot place their financial or other interest ahead of the retail customer’s interest. This requirement applies to account type and investment product recommendations, as well as to open an IRA or to roll over assets into an IRA.

##  Reg BI - Conflicts of Interest

Reg BI requires:

* The establishment, maintenance and enforcement of written policies and procedures that are reasonably designed to identify and, at a minimum, disclose or eliminate all conflicts of interest associated with a recommendation; and
* The adoption of specific requirements regarding the policies and procedures for mitigating or eliminating identified conflicts of interest.

##  Reg BI – Compliance

[FIRM NAME] will establish, maintain, and enforce written policies and procedures that are reasonably designed to achieve compliance with Reg BI requirements. [FIRM NAME] will also establish, maintain, and enforce a system of controls to detect and prevent violations of Reg BI, training for the applicable APs, periodic reviews and testing, and processes for remediating non-compliance.

Our CCO, Senior Management, and other appropriate associated persons will oversee our Reg BI and Form CRS procedures and controls and ensure the following:

* [FIRM NAME] will prohibit sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sale of specific securities or specific types of securities within a limited period of time with respect to [FIRM NAME] advisors;
* Avoid compensation thresholds that disproportionately increase compensation through incremental increases in sales;
* We will carefully evaluate and decline to offer products to customers when the conflicts associated with those products are too significant to be mitigated effectively;
* We will disclose any existing conflicts of interests and mitigate any conflicts of interest that create an incentive for our registered representatives to place the interest of the firm (or themselves) ahead of the customer;
* Prior to or at the time of a recommendation, we will reasonably disclose, in writing, all material facts about the scope and terms of the firm’s relationship with the customer, including: the nature of the relationship, material fees and costs, the type and scope of services to be provided, whether or not account monitoring services will be provided, and any conflict of interest associated with the recommendation that might incline us to make a recommendation that is not disinterested;
* [FIRM NAME] will review our structure, relationships, business lines, existing procedures, existing documents, and existing representatives to ensure compliance with Reg BI;
* For a retail customer’s fees and costs, we must provide disclosure that the nature of the compensation may create conflicts of interest;
* Identify and mitigate any conflicts of interest associated with recommendations that create an incentive for a registered representative to place the interest of our firm or the individual ahead of the interest of the retail customer;
* Monitor recommendations that are: near compensation thresholds; near thresholds for firm recognition; involve higher compensating products, proprietary products, or transactions in a principal capacity; or involve the roll over or transfer of assets from one type of account to another or from one product class to another;
* For comparable products, we refrain from providing higher compensation, or providing other rewards, for the sale of proprietary products or products from providers with which we have entered into revenue-sharing agreements;
* Monitor the suitability of registered representatives’ recommendations around key liquidity events in an investor’s lifecycle where the impact of those recommendations may be particularly significant;
* Identify and disclose any material limitations placed on the securities or investment strategies involving securities that may be recommended to a retail customer and any conflicts of interest associated with such limitations; prevent such limitations and associated conflicts of interest from causing the registered representative to make recommendations that place his or her interest ahead of the interest of the retail customer;
* Review existing disclosures to ensure compliance with Reg BI and create any necessary new disclosures;
* All individuals engaged in making investment recommendations and those who supervise them will receive training on properly complying with Reg BI, including ensuring that recommendations satisfy the care obligation;
* Our CCO will ensure that we undertake and document an annual review of our Reg BI policies and procedures, including a review of any violations uncovered during the past year. Based on the findings of this review, decisions may be made regarding the continuation of current policies and procedures, along with any disciplinary consequences of non-compliance;
* Documentation will be maintained regarding:
* The conflicts of interest disclosure provided to each retail customer;
* Records of the date that each relationship summary was provided to each retail investor, including any relationship summary that was provided before such retail investor opens an account, along with a copy of each relationship summary;
* The training our registered representatives receive on Reg BI compliance;
* Our CCO’s annual review of the policies and procedures; and
* Any instances of non-compliance and remedial measures taken.
* Update the relationship summary and file it in accordance with Form CRS instructions within 30 days whenever any information in the relationship summary becomes materially inaccurate. The filing must include an exhibit highlighting the changes;
* Communicate any changes in the updated relationship summary to retail investors who are existing clients or customers within 60 days after the updates are required to be made and without charge;
* Deliver the amended relationship summaries highlighting the most recent changes or providing an additional disclosure showing revised text or summarizing the material changes as an exhibit to the unmarked amended relationship summary;
* Deliver the most recent relationship summary to a retail investor who is an existing client or customer before or at the time [FIRM NAME] Partners LLC: (i) opens a new account that is different from the retail investor’s existing account(s); (ii) recommends that the retail investor roll over assets from a retirement account into a new or existing account or investment; or (iii) recommends or provides a new service that does not necessarily involve the opening of a new account and would not be held in an existing account; and
* Deliver the relationship summary within 30 days upon an investor’s request.

##  Reg BI Definitions

*Recommendation*

Whether a recommendation is made that triggers Reg BI will be based on the facts and circumstances of the situation. The determination generally will be made based on whether the communication “could reasonably be viewed as a ‘call to action’” to the customer, whether it “reasonably would influence an investor to trade a particular security or group of securities,” and that “the more individually tailored the communication to a specific customer or targeted group, the greater the likelihood that the communication may be viewed as a recommendation.”

Reg BI applies not only to the recommendation of a securities transaction itself, but also to investment strategies, which may include recommendations such as to invest in a bond ladder, to engage in day trading, to liquify home equity to invest, or to engage in margin investing. Recommendations as to the type of account, whether to roll over or transfer assets from an employer retirement plan to an IRA, or to take a plan distribution will also trigger Reg BI.

*Retail Customer*

The SEC has defined “retail customer” as “a natural person, or the legal representative of such natural person, who: (A) receives a recommendation of any securities transaction or investment strategy involving securities from an advisor; and (B) uses the recommendation primarily for personal, family, or household purposes.”

The definition of “retail customer” does not exclude high-net worth natural persons and natural persons that are accredited investors.

*Best Interest*

Under Reg BI, advisors will have an obligation to “act in the best interest of a retail customer when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer,” and may not put their financial interests ahead of the customer’s while making these recommendations.

Though the SEC did not define “best interests,” the Commission has pointed out that “best interests” pertains to a recommendation in the context of a client’s entire situation and applies only at the time of the recommendation itself. An advisor does not need to find the one “best” product, evaluate all possible alternatives, or even focus on the lowest cost alone. In addition, advisors do not have to refuse a customer’s order if it’s contrary to the advisor’s recommendation—the Care Obligation will not apply to self-directed or unsolicited transactions by a retail customer. Further, advisors will be allowed to retain their existing conflicts of interest as long as they are disclosed to customers and the advisor takes steps to mitigate conflicted incentives for their registered representatives.

*Dual Registrants*

According to the SEC, a dual registrant is an investment advisor only for advisory accounts. For any brokerage accounts and the overall relationship with the client, the dual registrant will be considered a broker and subject to Regulation Best Interest. However, the firm will only be subject to the Best Interest standard for a specific recommendation, and not with respect to the overall relationship with the client as an investment advisor.

# ERISA

**Purpose of Policy: To set forth the policy regarding servicing accounts governed by ERISA.**

[FIRM NAME] may provide advisory services to clients that are governed by ERISA. It is the Firm’s policy to comply with all provisions of ERISA and the IRC when providing services to such accounts.

The Firm has adopted the following procedures specific to client accounts that are governed by ERISA:

1. Ongoing awareness and periodic reviews of an ERISA client's investments and portfolio for consistency with the “prudent man rule;”
2. Ongoing awareness and periodic review of any client's written investment policy statement and/or guidelines to be current and reflect a client's objectives and guidelines;
3. Verification that the plan fiduciaries have established and maintain and renew, on a periodic basis any ERISA bonding that may be required; or if plan documents require the investment manager to maintain required ERISA bonding, the Firm will ensure that such bonding is obtained and renewed on a timely basis; and
4. Identify and monitor any party in interest affiliations or relationships existing between the Firm and any client ERISA plans to avoid any prohibited transactions.

In providing such services, the Firm will obtain due diligence materials or representations from persons acting on behalf of the ERISA plan that:

1. Identify who is responsible for administering the plan;
2. Identify who is the plan's trustee and/or "named fiduciary;"
3. Verify that the plan official engaging the Firm has the requisite authority to engage the Firm for the proposed engagement; and
4. Identify all stated objectives and restrictions governing the plan account.

The term “Financial Advisor” as used within these ERISA Considerations policies and procedures refers to Advisors who render investment advice to retirement plan clients on behalf of the Firm.

### Plan Fiduciary

The Firm becomes a “plan fiduciary” subject to ERISA rules where it exercises any authority or control with respect to managing plan assets OR renders investment advice for a fee or other compensation, direct or indirect, with respect to any plan assets or has any authority to do so.
“Plan assets” include assets held in separate employee accounts under “404(c)” plans (see below). Plan fiduciary status is significant because of the liabilities attached. There may be more than one plan fiduciary of an ERISA plan. With limited exceptions, every plan fiduciary is personally jointly and severally liable for any violation of the ERISA statute and rules by every other plan fiduciary.

Also, plan fiduciaries are subject to an elaborate set of “prohibited transaction” rules barring certain types of transactions, including but not limited to transactions between the plan fiduciary and the plan. While many managers cannot avoid plan fiduciary status because of the discretion they have over plan assets, many advisors who are non-discretionary service providers to plans make an effort to avoid plan fiduciary status because of the liability consequences that attach to this status and the application to them of the prohibited transaction rules.

Since its inception, ERISA has had a “safe harbor” for so-called “404(c) Plans” that are plans that are intended to permit employee/participant direction of investment of their own accounts. Section 404(c) of ERISA provides that other fiduciaries are not liable for losses that result from participant investment direction if certain conditions are met. These include an announcement by the plan sponsor of the plan’s status as a 404(c) plan and the plan having at least three (3) investment options with materially different risk/return profiles.

Additionally, DOL regulations allow a plan to offer participants an “ERISA Covered default investment alternative” in which participant assets may be invested if the participant does not make an affirmative investment election. The ERISA Covered default investment alternative must be one of a combination of:

1. Age-based life cycle or targeted retirement date funds or accounts;
2. Risk-based balanced funds; or
3. An investment management service.

The plan sponsor may engage a “fiduciary advisor” to provide an “eligible investment advice arrangement” to plan participants, without violating the prohibited transaction rules (see exemption sub-section below). The sponsor must exercise a fiduciary level of prudence in picking and monitoring the fiduciary advisor and the eligible investment advice arrangement. Once this is done, the sponsor can then invoke the safe harbor and avoid liability for management decisions made with respect to plan assets.

### Fiduciary Advisor

A “fiduciary advisor” is a person who is a fiduciary of the plan by reason of the provision of investment advice to a participant or beneficiary. This is different from an “investment fiduciary” who provides advice only to the plan sponsors or investment committee.

### Definition of ERISA Covered Account

Subject to certain exceptions, an ERISA Covered Account will generally include any private sector ERISA Covered retirement plan sponsored by an employer or a union or both. IRAs are subjected to ERISA when making recommendations to rollover funds out of an existing plan. For purposes of these policies and procedures, the following types of client accounts will be considered ERISA Covered Accounts:

1. IRAs, such as Traditional IRAs, Roth IRAs, inherited IRAs, rollover IRAs, Simplified Employee Pension (“SEP”) IRAs, Savings Incentive Match Plan for employees (“SIMPLE”) IRAs, and Salary Reduction Simplified Employee Pension (“SARSEP”) IRAs;
2. Archer Medical Savings Accounts;
3. Health Savings Accounts (“HSAs”);
4. Coverdell Educational Savings Accounts;
5. Tax-ERISA Covered benefit plans sponsored by employers that cover their employees and that are subject to ERISA (ERISA Plans), such as defined benefit pension plans and defined contribution plans;
6. Individual participant accounts under any ERISA Plan that is a defined contribution plan, such as an ERISA 403(b) or 401(k) plan, for which the client is the beneficial owner; and
7. Tax-ERISA Covered benefit plans that do not cover any employees, which therefore are not subject to Title I of ERISA (Non-ERISA Plans), such as Keogh plans and solo 401(k) plans maintained by sole proprietors.

### Fiduciary Obligations

Where the Firm provides services to ERISA Covered Accounts in a fiduciary capacity, the Firm and its advisory representatives must:

1. act solely in the interest of the participants and their beneficiaries;
2. use any fees received, directly or indirectly, in connection with transactions involving plan assets (i.e., 12b-1 fees) initiated at the discretion or upon the recommendation of the fiduciary advisor for the benefit of the plan (i.e., to offset other plan expenses such as investment advisor fees);
3. act with the care, skill, prudence, and diligence that a prudent man would use in the same situation;
4. diversify plan investments to reduce the risk of large losses unless it is clearly prudent not to do so; and
5. act according to the terms of the plan documents, to the extent the documents are consistent with ERISA.

### Investment Policy Statement

Generally, ERISA plans may have adopted an Investment Policy Statement which:

1. defines the purpose of the plan;
2. describes suitability; and,
3. establishes risk parameters, return requirements, and portfolio diversification standards.

The Chief Compliance Officer or the relevant portfolio manager of the Firm should review and be familiar with the Investment Policy Statement of any ERISA plan for which the Firm acts as an investment advisor.

### Fidelity Bond

ERISA Section 412 generally requires advisors with discretion over plan assets to ensure that a fiduciary bond is in place to protect the plan against loss from acts of fraud or dishonesty. If the Firm renders investment advice to an ERISA plan, but does not have discretionary authority, typically it is not required to be bonded solely because it provides investment advice. A fidelity bond is only required where the Firm has discretion or has the power to exercise physical contact or control over the assets and the power to transfer to itself or a third party, or to negotiate the assets for value on behalf of the plan.

*Amount and Terms*

Generally, the bond must be for not less than ten percent (10%) of the funds handled, subject to a minimum of $1,000 and a maximum of $500,000 ($1,000,000 if the plan holds securities issued by the plan sponsor). The fidelity bond cannot have a deductible, and each ERISA plan must be named as an insured party under the bond.

Alternatively, if permitted by the ERISA plan sponsor, the Firm should seek to obtain the necessary coverage under the employer's bond.

### Prohibited Transactions

ERISA Section 406(a) discusses certain prohibited transactions between ERISA plans and parties with a relationship to the plan, including the plan's sponsor, fiduciaries, service providers, and their affiliates. This section prohibits a plan from:

1. Engaging in any sale or exchange of assets between a party in interest and the plan;
2. Involvement in any loan or extension of credit between a party in interest and the plan;
3. Furnishing goods, services, or facilities between a party in interest and the plan; or,
4. Transferring of any plan assets to a party in interest.

There are statutory and regulatory exemptions for many routine transactions, but these exemptions apply only if all the conditions of the relevant exemption are satisfied. It is usually advisable to consult with ERISA Covered counsel to determine whether an exemption is available and how to satisfy the conditions of the exemption.

### Liability for Breach of ERISA Rules

If a plan fiduciary breaches its fiduciary duty or any of the prohibited transaction rules, it becomes liable to the plan for any resulting losses including lost profits. The breaching fiduciary may be removed from its fiduciary role or subjected to other appropriate equitable or other remedies.

Additionally, a plan fiduciary may be held JOINTLY AND SEVERALLY LIABLE to the plan for breach by any other plan fiduciary.

Great care must be taken to identify when the Firm is acting as a plan fiduciary with respect to any ERISA client or account. In cases where the Firm has discretionary control over any assets of an ERISA plan, the Firm and its Financial employees must ensure that contract provisions are clear and fully explained and understood by plan executives/trustees:

* To provide prudent advice;
* To charge reasonable fees and only fees approved by the ERISA client;
* To disclose and obtain client “sign off” on all conflicts of interest;
* To avoid engaging in prohibited transactions or ensuring that all the conditions of any applicable exemption are satisfied.

### ERISA Regulations

Due to the complicated regulations under ERISA and the IRC, prior to rendering investment advice to an account governed by ERISA and/or the IRC, each Advisor must consult with the Chief Compliance Officer who shall be responsible for approving the arrangement and, if necessary, consulting with legal counsel.

## Retirement Investors and ERISA Matters

**Purpose of Policy: To set forth the policy and procedures regarding rollovers from qualified retirement plans.**

Under Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Internal Revenue Code of 1986, as amended (the “Code”), parties providing fiduciary investment advice to plan sponsors, plan participants, and IRA owners may not receive payments creating conflicts of interest, unless they comply with protective conditions in a prohibited transaction exemption. On December 18, 2020, the Department of Labor (the “DOL”) adopted PTE 2020-02, Improving Investment Advice for Workers & Retirees, a new prohibited transaction exemption under ERISA and the Code for investment advice fiduciaries with respect to employee benefit plans and individual retirement accounts (IRAs). Investment advice fiduciaries who rely on the exemption must render advice that is in their plan and IRA customers' best interest in order to receive compensation that would otherwise be prohibited in the absence of an exemption, including commissions, 12b-1 fees, revenue sharing, and mark-ups and mark-downs in certain principal transactions.

The exemption expressly covers prohibited transactions resulting from both rollover advice and advice on how to invest assets within a plan or IRA. An important aim of the exemption is to make sure that fiduciary advice providers adhere to stringent standards designed to ensure that their investment recommendations reflect the best interest of plan and IRA investors. In addition to other requirements, financial institutions and investment professionals relying on the exemption must:

* acknowledge their fiduciary status in writing,
* disclose their services and material conflicts of interest,
* adhere to Impartial Conduct Standards requiring that they investigate and evaluate investments, provide advice, and exercise sound judgment in the same way that knowledgeable and impartial professionals would (i.e., their recommendations must be “prudent”),
* act with undivided loyalty to retirement investors when making recommendations (in other words, they must never place their own interests ahead of the interests of the retirement investor, or subordinate the retirement investor's interests to their own),
* charge no more than reasonable compensation and comply with federal securities laws regarding “best execution,” an
* avoid making misleading statements about investment transactions and other relevant matters,
* adopt policies and procedures prudently designed to ensure compliance with the Impartial Conduct Standards and to mitigate conflicts of interest that could otherwise cause violations of those standards;
* document and disclose the specific reasons that any rollover recommendations are in the retirement investor's best interest; and
* conduct an annual retrospective compliance review.

Financial institutions must also acknowledge in writing their investment professionals' fiduciary status under Title I of ERISA and the Internal Revenue Code, as applicable, when providing investment advice to the retirement investor, and they must describe in writing the services to be provided and the material conflicts of interest of financial institutions and investment professionals. Financial institutions must document the reasons that a rollover recommendation is in the best interest of the retirement investor and provide that documentation to the retirement investor.

Financial institutions and investment professionals must consider and document their prudent analysis of why a rollover recommendation is in a retirement investor's best interest.

### Policy

Advisors are required to recommend rollovers that are in the client’s best interest and consider all relevant factors prior to delivering the recommendation. For recommendations to roll over assets from an employee benefit plan to an IRA, the relevant factors include but are not limited to:

* the alternatives to a rollover, including leaving the money in the investor’s employer’s plan, if permitted;
* the fees and expenses associated with both the plan and the IRA;
* whether the employer pays for some or all of the plan’s administrative expenses; and
* the various levels of services and investments available under the plan and the IRA.

When considering the alternatives to a rollover, the financial institution and investment professional generally should not focus solely on the retirement investor’s existing investment allocation, without any consideration of other investment options in the plan.

For rollovers from another IRA or from a commission-based account to a fee-based arrangement, a prudent recommendation would include consideration and documentation of the services under the new arrangement. As relevant, the analysis should include consideration of factors such as:

* The long-term impact of any increased costs;
* why the rollover is appropriate notwithstanding any additional costs;
* the impact of economically significant investment features such as surrender schedules and index annuity cap and participation rates.

Financial Advisors are required to attempt to obtain the relevant information about the existing client plan **prior** to making a recommendation. If a client is unwilling or unable to provide the relevant information, the attempt should be documented in the Client File.

Any recommendation for the movement of qualified funds to the Firm, or out of non-Firm managed accounts is required to be documented in writing and provided to the client. In the unusual event that a client initiated the rollover prior to a discussion or recommendation by the Advisor, the Advisor will still attempt to complete a rollover analysis which will indicate that the rollover was initiated by the client, or the client must acknowledge they initiated the request without being solicited by the Firm.

### Qualified Plan Rollover Procedures

The following procedures are in place to adhere to the policy:

1. Advisors will discuss with the client the material facts and important considerations when considering rolling qualified funds to the Firm.
2. Advisors or their staff will obtain the relevant information about the existing client plan, by contacting the plan sponsor with the client on the line or obtaining the information by reviewing the account/plan documents. If the plan information is not available, the Advisor may provide an estimate of the plan’s fees and services.
3. Advisors or their staff shall complete a rollover analysis which will be presented to the client.

Any rollover analysis created will be maintained in the client's file for a period of five (5) years after the fiscal year end.

### Qualified Plan Rollover Supervision

The Chief Compliance Officer or designee is required to review the recommendation to rollover funds from a qualified account for accuracy, completeness and determine whether the recommendation remains in the client’s best interest. They must also conduct an annual retrospective review of this policy to determine its effectiveness. At the minimum, the Firm must evaluate the following items during the review:

1. Conduct a sample-based test using a wide range of transaction types and sizes to determine compliance;
2. Review and identify any deficiencies in the polices and procedure; and,
3. Determine how to correct any deficiencies or violations.

The Firm will complete the retrospective review, report and certification no later than six months following the end of the period covered by the review. The Firm will also retrain the report, certification, and supporting data for a period of six years in a manner consistent with SEC record retention requirements

 To the extent possible, the Firm will conduct its annual review of DOL Fiduciary Rule compliance at the same time as the Firm’s existing process for the annual compliance review. However, the DOL Fiduciary Rule report and certification will be separately maintained. If the DOL requests the written report, certification, and supporting data within the required recordkeeping period, the Firm will make the requested documents available within 10 business days of the request.

# Considerations When Working With Senior Investors And/Or Vulnerable Adults

## Introduction

**Purpose of Policy: To set forth a framework for conducting business with senior investors and vulnerable adults.**

[FIRM NAME] defines senior investors and vulnerable adults as follows:

### Senior Investor

While regulators have not yet defined an age at which an individual becomes a “senior,” some states provide specific definitions which may affect the availability of services or the Firm’s reporting requirements. For the [FIRM NAME] policy, investors who are age 62 and over are considered “seniors.”

### Vulnerable Adult

A vulnerable adult is any person over the age of eighteen (18) who may be unable to reasonably protect themselves from harm or financial exploitation. An individual may become a vulnerable adult due to illness, injury, physical disability, mental disability, or similar circumstances. Again, some states may have a more specific definition but, for the purpose of this policy, a broad and inclusive stance should be assumed.

As later described in this chapter, employees are required to escalate to the Chief Compliance Officer any concerns that a senior investor or vulnerable adult is, or may be, the subject of financial exploitation or other abuses. The Chief Compliance Officer will investigate the matter and make any appropriate reports to the relevant agencies and/or authorities.

## Suitability Considerations

**Purpose of Policy: To set forth suitability considerations relevant to conducting business with senior investors and vulnerable adults.**

The advisor must believe that a recommended transaction or investment strategy involving a security, or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the advisor to ascertain the customer’s investment profile. A customer’s investment profile includes, but is not limited to, the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the advisor in connection with such recommendation.

Clients must be given a fair and balanced picture of the risks, costs and benefits associated with the products or transactions they recommend and recommend only those products that are in the client’s best interests considering the client’s financial goals and needs. To this end, it is important that employees confirm that the client’s profile as documented on the Firm’s books and records reflects the client’s current circumstances.

With respect to suitability factors specifically applicable to senior clients, it is important that employees consider the following:

As investors age, their investment time horizons, goals, risk tolerance and tax status may change. Liquidity often takes on added importance. And depending on their circumstances, seniors and retirees may have less tolerance for certain types of risk than other investors. Questions that may be relevant to consider include:

* Is the client currently employed? If so, how much longer do they plan to work?
* What are the client’s primary expenses? For example, does the customer still have a mortgage?
* What are the client’s sources of income? Is the customer living on a fixed income or anticipating doing so in the future?
* How much income does the client need to meet fixed or anticipated expenses?
* How much has the client saved for retirement? How are those assets invested?
* How important is the liquidity of income-generating assets to the client?
* What is the client’s financial and investment goals? For example, how important is generating income, preserving capital or accumulating assets for heirs?
* What heath care insurance does the client have? Will the client be relying on investment assets for anticipated and unanticipated heath costs?

Certain products or strategies pose risks that may be unsuitable for many senior clients because of time horizon considerations, liquidity, volatility, or inflation risk. Included among these are:

* Products that have withdrawal penalties or otherwise lack liquidity such as deferred variable annuities, equity indexed annuities, some real estate investments, and limited partnerships;
* Variable life settlements;
* Complex structured products, such as collateralized debt obligations;
* Mortgaging home equity for investment purposes;
* Using retirement savings, including early withdrawals from IRAs, to invest in high-risk investments.

A client’s net worth alone is not determinative of whether a particular product is suitable for that client, even when the client qualifies as an accredited investor standard based largely on home values, which may represent the largest asset of many senior clients.

If a senior client places an unsolicited trade that the Advisor believes is unsuitable for the client, the advisor should discuss their concerns with the client. If the client is insistent on placing the trade, the advisor must consult with the Chief Compliance Officer. Additionally, as a best practice, employees should memorialize discussions with senior clients, particularly those related to recommendations.

Advisors should periodically review a senior client’s trust documents, beneficiary information, POAs and Trust Contacts, as applicable, to ensure the information is current and undertake efforts to become familiar with POAs and other authorized contacts.

## Diminished Capacity

**Purpose of Policy: Educate employees regarding the possible signs of diminished capacity and provide instructions for situations where such concerns appear to be present.**

As individuals age, there may be a natural decline in one’s cognitive abilities. This loss of functioning can be exacerbated by illness, injury, and other factors. It is often the case that the first area in which individuals begin to struggle is financial affairs. This puts employees in a unique position to detect issues early on and assist clients in preparing for the future.

Listed below are some common signs of diminished capacity and examples employees may observe. Employees noting these, or other symptoms, should discuss them with the client or the client’s trusted family members to prepare for the future. If the symptoms appear severe or are negatively impacting the client, employees are required to escalate the matter to Legal for case-specific guidance.

* Memory loss
* Client asks the same question repeatedly during a conversation.
* Client calls shortly after a meeting and does not appear to recall what was just discussed. Client has difficulty recalling names, dates, or other information which previously came easily.
* Challenges in understanding or solving simple problems
* Client appears easily overwhelmed by everyday tasks.
* Previously organized client had difficulty keeping track of important records.
* Client is unable to handle routine financial matters such as balancing a checkbook.
* Confusion with time or place
* Previously reliable client missed appointments.
* Client comes to the office for appointments they have not actually scheduled.
* Client misses important dates such as tax filings or RMDs.
* Recent problems with words in speaking or writing
* Client has a new or worsening slur to speech.
* Client has a new or worsening speech impediment.
* Client is unable to sign their name.
* Changes in mood and personality
* Previously pleasant client became easily agitated or argumentative.
* Client accuses family members or longtime friends of seemingly outrageous acts.
* Client appears overly paranoid for no apparent reason.
* Client has become secretive and will not share information normally given freely. Client exhibits a decline in personal care and hygiene.
* Decreased or poor judgment.
* Client appears to be taking unnecessary financial or personal risks.
* Client has made or wishes to make transactions which do not seem beneficial.
* Client appears unduly influenced by new friends or acquaintances, particularly those met online.
* Client does not seem to appreciate the consequences of their decisions.

If you note signs of diminished capacity, the following are steps you can take to help protect your client:

* If the symptoms appear severe or are negatively impacting the client, Advisors are required to escalate the matter to Legal for case specific guidance.
* Determine if there is a power of attorney on file. If so, it is important that you understand the scope and limitations of powers granted to the client’s agent. If possible, establish a relationship with the POA before their services are needed.
* Invite the client to bring a family member, close friend, or other professional such as an attorney or CPA to your next meeting.
* Document any observations that suggest diminished capacity and steps you have taken to address the situation.

## Senior Safe Act

**Purpose of Policy: To set forth the policy regarding required trainings under the Senior Safe Act.**

The Senior Safe Act became federal law on May 24, 2018. It was included as Section 303 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The Senior Safe Act (“SSA”) addresses barriers financial professionals face in reporting suspected senior financial exploitation or abuse to authorities. The SSA does not mandate any action by financial institutions or regulators. The purpose of the SSA is to provide financial institutions and certain eligible employees with immunity from liability in any civil or administrative proceeding for reporting potential exploitation of a senior citizen provided certain requirements have been met.

An eligible employee who has received the training and makes a disclosure to a covered agency in good faith and with reasonable care receives individual immunity pursuant to the SSA. A covered financial institution also receives institutional immunity when an eligible employee makes a disclosure to a covered agency and all employees have received training to the extent necessary to qualify for immunity under the SSA.

The SSA only covers disclosures made to a covered agency and not a third party.

* Covered Agency - The SSA defines the term “covered agency” to include a state financial regulatory authority (including a state securities regulator or law enforcement authority and a state insurance regulator); a state or local adult protective services agency; the SEC; an SEC-registered national securities association (e.g., FINRA); a federal law enforcement agency; or any Federal agency represented in the membership of the Financial Institutions Examination Council.
* Covered Financial Institution - The SSA defines the term “covered financial institution” as credit unions, depository institutions, investment advisors, broker-dealers, insurance companies, insurance agencies, and transfer agents.
* Eligible Employees - An employee who serves as a supervisor or in a compliance or legal function (including as a Bank Secrecy Act officer), for a covered financial institution; or a registered representative, investment advisor representative, or insurance producer affiliated or associated with a financial institution.
* Senior Citizen - The SSA defines a senior citizen as a person not younger than sixty-five (65) years.

The immunity established by the Senior Safe Act is provided on the condition that:

1. Eligible employees receive training on how to identify and report exploitative activity against seniors before making a report, and
2. Reports of suspected exploitation are made “in good faith” and “with reasonable care.”

In order to qualify for the immunity provided by the SSA, training must be provided to and completed by eligible employees and those employees who may come into contact with a senior citizen as a regular part of their professional duties or may review or approve the financial documents, records, or transactions of a senior citizen in connection with providing financial services to a senior citizen.

To qualify for the immunity provided by the SSA, training of current eligible employees must occur as soon as reasonably practical. New employees or persons who become affiliated or associated with a covered institution have no later than one year from the date of hire, affiliation, or association to complete the training.

### Policy

The Chief Compliance Officer or designee will oversee the training of all eligible employees of the Firm at onboarding and at least annually.

The training must include the following:

1. Instruct any individual attending the training on how to identify and report the suspected exploitation of a senior citizen internally, and, as appropriate, to government officials or law enforcement authorities, including common signs that indicate the financial exploitation of a senior citizen;
2. Discuss the need to protect the privacy and respect the integrity of each individual customer of the covered financial institution; and
3. Be appropriate to the job responsibilities of the individual attending the training.

Educational Resources

* NASAA – [Serve Our Seniors](https://serveourseniors.org/)
* SEC – [Information for Seniors](https://www.investor.gov/additional-resources/information/seniors)
* FINRA – [Rules and Guidance for Seniors](https://www.finra.org/rules-guidance/key-topics/senior-investors)

Records of employees who completed the training and the content of the training must be maintained by the Firm.

The Firm is not required to maintain records for any terminated employees.

### Financial Exploitation

**Purpose of Policy: To educate employees about the red flags of financial exploitation.**

Financial exploitation occurs when a person misuses, or takes for their own benefit, the property of a senior investor or vulnerable adult. Financial exploitation may occur via deception, coercion, harassment, or threats. It can also include abuse of authority granted by a power of attorney, guardianship, or conservatorship appointment.

While financial exploitation can take many forms, there are some common warning signs, which are as follows:

* Power of attorney or other authority is granted to an unknown individual who does not have a clear relationship with the client.
* Indications that the client doesn't have control over or access to their money.
* Inability for the employee to speak directly to the client, despite attempts to do so.
* The client appears to be suddenly isolated from family and friends, or the client appears with new and unknown associates, friends, or relatives.
* There is a sudden, unexplained, or unusual change in the client’s transaction patterns.
* A client makes frequent, uncharacteristic withdrawals or wire transfers.
* The client's mailing address has been changed to an unfamiliar and unexplained address.
* The client is uncharacteristically nervous and anxious when visiting the office or speaking on the phone.
* The client lacks knowledge about their financial status.
* The client exhibits an unexplained or unusual excitement about a sudden windfall but may be reluctant to discuss details.
* The client makes sudden unexplained changes to financial documents, such as powers of attorney, account beneficiaries, wills, or trusts.
* The client appears to have little regard for penalties or fees when making withdrawal requests.

Financial exploitation is a serious crime and can often occur alongside other abuses. employees are required to escalate any suspected exploitation to the CCO.

In some cases, the client’s state of residence may require the Firm to report suspicions of abuse to Adult Protective Services or other authorities. In other cases, although not required, it is prudent to make such reports to secure services for a client.

**The Chief Compliance Officer is responsible for making all reports on behalf of employees and the Firm. An employee should NOT contact state agencies and authorities unless they receive specific instructions to do so from the CCO.**

If a client is in imminent danger, employees should contact 911 or the local police. Once the authorities have been contacted, employees should contact Legal to report the incident.

In some circumstances it may be appropriate to place a temporary hold of client funds to prevent further exploitation. The Chief Compliance Officer will consult Legal to decide if this is appropriate. Only the Chief Compliance Officer has authority to place a temporary hold, and remove a temporary hold once placed.

# Sales Practices And Other Employee Conduct Policies

**Purpose of Policy: To set forth policies relating to some of the key sales practice issues relevant to an advisor’s business activities.**

## Conflicts Of Interest

### Overview

In accordance with regulatory expectations, the Firm has established, and maintains, a robust framework to manage both real and potential conflicts of interest. In addition to meeting regulatory expectations, this framework helps to protect the Firm’s brand and reputation, create public trust in the organization, safeguard the bottom line, and insulate the Firm from heightened regulatory scrutiny. As further described in this section, advisors and all other [FIRM NAME] affiliated persons are responsible for adhering to the policies and procedures that support the Firm’s conflicts of interest framework including remaining aware of, and reporting, potential conflicts of interest to the Compliance.

## Prohibited Practices

**Purpose of Policy: To set forth the sales practices in which employees are prohibited from engaging.**

### Unauthorized Trading

Employees must avoid “inadvertent” unauthorized transactions such as accepting an order from a spouse where a trading authorization is not complete and on file. Doing a “favor” by entering an order when the registered owner cannot be reached is a violation and subject to disciplinary action.

### Churning

Churning of a client’s account is prohibited by Firm policy and is legally classified as a fraud under the Federal Securities Act of 1934. Two elements must be involved to constitute churning:

1. The advisor exercised control over the account, which can be formally through a formal written discretionary agreement or implied such as influence over an “unsophisticated” client; and
2. The trading activity is excessive (as determined by the CE ratio\*, turnover ratio\*\* or based on client’s investment objective vs. trading activity).

An account that is “active” does not necessarily denote churning.

\*Turnover ratio is defined as the total dollar amount of purchases made in the account divided by the average monthly equity in the account. This ratio is then annualized by dividing the result by the number of months involved to get a monthly ratio and then multiplying that result by 12. For example, a turnover ratio of 10 would mean that equity in the account was invested 10 times in a year and this can be indicative of excessive trading.

\*\*CE ratio is defined as the total amount of commission earned over a given period divided by the equity in an account during that period. For example, the commission earned on the account is $10,000, the account value is $50,000 and the CE ratio is .20 or 20%. This means that the client’s account must earn a rate of 20% per year just to meet expenses.

### Financial Arrangements with Clients

It is prohibited to enter into a financial arrangement with customers (i.e., sharing profits of losses, sharing commission, rebating commission, etc.).

### Tax and Legal Advice

It is prohibited to provide tax or legal advice to a client. Clients should be notified that the Firm and its employees are not licensed to provide tax or legal advice.

### Margin

The Firm prohibits employees from soliciting and recommending margin loans on client accounts. Clients can margin their accounts directly through the custodian. [FIRM NAME] will not trade on accounts that have an active margin loan.

The Chief Compliance Officer will conduct periodic reviews to determine if any Firm managed accounts have active margin loans to notify the clients of the fees associated.

### Options

The Firm prohibits employees from soliciting and recommending options within an advisory account.

# Best Execution

**Purpose of Policy: To set forth the policy regarding best execution.**

The Firm’s primary business entails portfolio management and continuous monitoring of client assets with a qualified custodian on a non-discretionary basis. As part of the program due diligence process, the Firm will review how and where a manager or program executes its transactions. As part of that review the Firm will look at such factors as:

* + - The value of research provided,
		- The commission rates charged,
		- The ability to negotiate commissions,
		- The ability to obtain volume discounts,
		- Execution capability,
		- Fiscal responsibility, and
		- Responsiveness to the Firm.

Because the client assets are held at Schwab, the Chief Compliance Officer will conduct a periodic and systematic review of broker-dealer platforms to determine whether its clients are receiving best execution, including all transaction (ticket) and/or custodial costs. The Chief Compliance Officer will be responsible for defining those factors that are most important to the Firm with regard to brokerage arrangements, and then evaluating the custodian(s) against these factors, based upon information/documents received, on a continual basis (i.e., quarterly execution reports from custodian(s)).

If the Firm chooses to trade away through another broker dealer to execute certain transactions, these transactions will be monitored and reviewed by the Chief Compliance Officer to ensure best execution, under the factors identified above.

## Trade Allocation

**Purpose of Policy: To set forth the policy regarding trade allocation.**

The Firm allocates trades fairly and does not favor certain client accounts with IPOs/hot issues, private placements, or other investment opportunities limited in supply. The Firm will disclose in its Form ADV any restrictions applied to the Firm, its employees, or affiliated entities with regard to participation in investment opportunities. In addition, the Firm prohibits allocating profitable trades at each day’s end, disproportionately favoring certain clients, and does not manage a proprietary account in a favorable manner over client accounts. As much as possible, an allocation statement will be prepared in advance and a pro rata allocation will be pursued.

Factors such as suitability, asset allocation and/or ability to invest additional funds may be taken into consideration during the allocation process in order to determine those clients eligible to participate in an allocation that is limited in supply; investment restrictions of particular accounts may also be considered in determining eligibility, especially if the market for the security is limited. If there are not enough shares for a pro rata allocation, the Firm may operate the allocation process in a different manner as long as it is equitable and fair. In these circumstances, the Chief Compliance Officer, or designee, will document the reasons for the deviation from the pro rata allocation policy and will maintain copies of the applicable trading records; the Firm will also disclose in its Form ADV and the advisory contract the allocation guidelines and policies it will follow with regard to these circumstances.

The Chief Compliance Officer, or designee, will review the allocation of transaction costs and securities among clients’ accounts to ensure that the Firm is not unfairly favoring any client accounts; the Chief Compliance Officer, or designee must formally approve any deviation from the allocation policy. The accumulation of limited investment opportunities and timing of liquidations will be reviewed; any apparent uneven allocations or preference of performance-based accounts will be closely scrutinized. Under these circumstances, the Chief Compliance Officer, or designee, will provide a written explanation as to why the deviation occurred. Ultimately, a determination of whether an allocation is unfair will depend on the individual facts and circumstances and the clients’ needs and financial objectives.

## Aggregation of Orders

**Purpose of Policy: To set forth the policy regarding aggregation of orders.**

Conflicts of interest exist regarding aggregating orders of various clients such as individuals, ERISA plans, or investment companies, with the orders on behalf of accounts advised by the Firm in which the Firm, its employees and/or principals have economic interests (i.e., proprietary accounts). The SEC has indicated that aggregation of client orders would not violate the anti-fraud provisions of Section 206 of the Advisors Act if the practice of allocating orders is fully disclosed in Form ADV and separately disclosed to existing clients.

[FIRM NAME] may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as “block trading”). By not aggregating orders, clients may incur a higher charge than with a Firm that does aggregate orders due to larger volume discounts. When possible, [FIRM NAME] will attempt to aggregate orders so that clients benefit from better purchase or sale execution prices.

The Chief Compliance Officer or designee will monitor the Firm’s trading activities to ensure compliance with this policy.

## Directed Brokerage

**Purpose of Policy: To set forth the policy regarding client directed brokerage.**

[FIRM NAME] currently uses Schwab as its custodian. [FIRM NAME] selected its custodian based on our projected AUM and the best fit for our business model. In considering which independent qualified custodian will be the best fit for the Firm’s business model, we evaluate the following factors, which is not an all-inclusive list:

* Financial strength
* Reputation
* Reporting capabilities
* Execution capabilities
* Pricing, and
* Types and quality of research

[FIRM NAME] recommends that the client establish an account with a brokerage firm with which the Firm has an existing relationship. Such relationships may include benefits provided to our Firm, including research, market information, and administrative services that help our Firm manage client account(s). [FIRM NAME] believes that the recommended broker-dealer provides quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the recommended broker-dealer, including the value of research provided, the Firm’s reputation, execution capabilities, commission rates, and responsiveness to our clients and our Firm.

**[FIRM NAME] does not permit clients to direct the use of a particular brokerage firm.**

## Valuation

**Purpose of Policy: To set forth the policy regarding valuation of client assets.**

Generally, securities for which market quotations are “readily available” must be valued at that market price; all other securities must be valued at their fair price. However, the SEC has taken the position that, in certain circumstances, an available market quotation for a security may become unreliable for its use prior to valuation, and therefore should be determined through fair value pricing.

The Chief Compliance Officer or designee will be responsible for determining the fair value of the client assets consistent with any applicable provisions specified in the written agreement(s). The Chief Compliance Officer will choose the appropriate valuation method based on the facts and circumstances of each particular investment.

**[FIRM NAME] currently relies on values as provided by the custodian to determine client asset values.**

## Trade Correction Policy

**Purpose of Policy: To set forth the requirements of the Firm’s trade correction policy.**

### Trade Error Definition

A trade error is an error in the placement, execution, or settlement of a trade for a client account. There are no standard criteria for determining whether something constitutes a trade error. For purposes of this policy, trade errors include but are not limited to the following:

* Securities were purchased in violation of Firm policies and procedures or not legally permitted for an account, or not within an account’s investment guidelines;
* The wrong securities, or the wrong quantity of securities, were purchased or sold for an account;
* Securities were purchased or sold for the wrong account;
* Securities were allocated to the wrong account;
* Duplicate orders were submitted;
* A failure to purchase or sell securities as intended for a particular account;
* Securities were purchased rather than sold for an account (or securities were sold rather than purchased); or
* Inappropriately delaying the investment of client assets.

Whether or not a given occurrence constitutes a trade error is, in part, dependent on situation-specific facts and circumstances. It will not necessarily be the case that each of the foregoing would constitute a trade error in every given instance. Moreover, certain occurrences not listed above may constitute trade errors.

Note that, for purposes of this policy, the following situations are not deemed to be trade errors:

* A good faith error in judgment in making an investment decision for a client;
* A trade error caught and corrected before execution; and
* Market-related or other events beyond the Firm’s control, such as market volatility, suspension of trading or severe weather, which may impact the price of a security.

### Resolving Trade Errors

If an employee determines that they have made a trade error or has a question as to whether a particular situation is deemed to be a trade error, the employee must contact the Chief Compliance Officer and the custodian.

[FIRM NAME] adheres to the following guidelines in addressing trade errors:

* In most circumstances, the Firm takes action to return the client’s account to the position it would have been in but for the error, at the Firm or the advisor’s expense where applicable. Any corrective action will be taken either directly by the Firm or at the Firm’s direction.
* An error should generally be corrected as soon after discovery as is reasonably practical, and in a manner designed to appropriately prevent or remedy actual adverse impact to affected clients.
* Actions taken to resolve an error should be determined in light of the Firm’s obligations to the client under applicable law and the agreement with the client.
* The Firm will make whole a client for any losses and will follow the custodian’s policy for gains in the account due to a trade error.
* The Firm will not retain any gains generated as a result of a client trade error.

### Recordkeeping

[FIRM NAME] will maintain a record of all trade error reports and all related documentation for a period of six (6) years from the end of the fiscal year in which such records were generated (the first two (2) years at an appropriate office of [FIRM NAME]).

## Principal and Agency Cross Transactions

**Purpose of Policy: To set forth the policy regarding principal and agency cross transaction.**

**[FIRM NAME] does not conduct principal or agency cross transactions.**

## Handling of Orders

**Purpose of Policy: To set forth the policy regarding handling of orders.**

It is the policy of the Firm that all accounts under its investment management will be treated with impartiality in the allocation of investment information, expertise, and timing of investment executions. No advisory client will be given preferential treatment because of its size or relationship to the Firm; however, some transactions may be consummated more quickly than others because of the need to obtain co-fiduciary approvals and/or to confer with third party investment advisors in some accounts. It is the Firm’s intention to complete all transactions as quickly as possible, but accounts over which the Firm exercises sole investment authority will not be required to wait until all of the accounts concerned are ready to complete the transaction.

Orders will be entered for execution on a first-in, first-out basis. The trades will be promptly entered into and executed from the time the Firm submits the trade. The Chief Compliance Officer, or designee, will perform a periodic review of the Firm’s order handling processes to remain up to date with market conditions, regulatory requirements, and changes in technology.

Prior to processing, a determination will be made if enough cash is on hand in the account for a purchase or if the securities are in the account for a sale. Each order must be placed in accordance with approved brokerage arrangements, and confirmation of the execution of the order according to order instructions will be obtained.

### Late Trading and Market Timing

**Purpose of Policy: To set forth the policy regarding mutual fund trades.**

It is the Firm’s policy that mutual fund orders may not be submitted for same-day pricing (i.e., at that day’s net asset value (NAV)) after 3:58 PM EST. To comply with Firm policy, all orders must be received and submitted for processing prior to 3:58 PM EST if they are to be priced at that day’s NAV.

Employees should be familiar with the policies and procedures regarding market timing and late trading which apply to all mutual fund orders. Generally, mutual fund investments are intended as long-term holdings. Mutual fund prospectuses detail their trading policies and may include language prohibiting market timing or excessive short-term trading. The Firm does not condone or authorize market timing or short-term trading activity in any mutual fund. The definition of “short-term trading” varies from fund to fund and given the variety of fees, penalties, and potential for restriction on client activity, it is imperative that employees understand the restrictions outlined in the prospectus of each mutual fund that the client owns or is considering purchasing.

Most mutual funds perform surveillance of client trading activity. The Firm may be notified by a fund that certain clients or employees are engaged in activity which appears to violate the fund’s short-term trading or “excessive trading” policies. The Firm may be advised that no new orders will be accepted from a particular client or IAR who appears to be market timing or engaged in excessive trading on a short-term basis. Fund prospectuses may also reserve the right to levy additional charges, fees, or penalties on their investors for short-term trading. The Firm generally will not allow a client who has been labeled by a fund as a market timer or short-term trader to purchase or exchange any mutual fund through the Firm.

If the Firm receives notification of questionable activity, the Chief Compliance Officer, or designee, will conduct a thorough investigation of the facts and circumstances surrounding the activity. An employee who receives a notification of questionable activity must notify the Chief Compliance Officer, or designee, immediately. Employees should not attempt to resolve or remove any fund-imposed restrictions themselves.

# Fixed Income

## Introduction

**Purpose of Policy: To provide an overview of the fixed income securities covered in this chapter.**

Fixed income securities, also referred to as debt securities, include commercial paper, brokered certificates of deposit, government treasuries and agencies, structured products, corporates, mortgage-backed securities, and municipals. Additionally, while most preferred stocks are considered equities, certain preferred stocks pay a fixed dividend - these products are debt securities. These preferred stocks are subordinate to other debt obligations but senior to common equity shares.

Advisors are responsible for determining the suitability of fixed income recommendations based on the client’s investment profile. The Firm may provide information on availability of securities offerings, product details, characteristics, risks, market insight and education to assist the employee with making a suitability determination.

Fixed income offerings are subject to availability and price changes prior to trade execution. All prices are subject to change until an execution report is delivered.

Corporate bonds, government agencies, municipal bonds, brokered CDs, structured products and US treasuries can be traded online. Employees can contact the appropriate service provider to place orders that cannot be entered online or for offerings that do not appear online.

## Brokered Certificates Of Deposit

**Purpose of Policy: To set forth the policies governing the offer and sale of brokered certificates of deposit (“CDs”).**

Brokered CDs have characteristics that are unique as compared to CDs purchased directly through a bank, such as call features, variable or zero-coupon rates, market risk and pricing. Due to these unique characteristics, it is important that employees understand and disclose the following information to a client when recommending that the client purchase a brokered CD:

* May be called prior to maturity date.
* Maturities can be significantly longer, extending twenty years or more.
* Unlike a bank CD, brokered CDs cannot be redeemed early, but may be sold in the secondary market to the extent one is available.
* The client may receive less than the original investment if the CD is sold prior to maturity.
* The client is responsible for monitoring the total amount of deposits that he/she holds with one issuer to determine the extent of deposit insurance coverage available with the same depository institution. The current FDIC insurance limits are $250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Refer to the [FDIC website](https://www.fdic.gov/) for the most current information.
* Coupons may be offered with either a fixed-rate, step-up/step-down, variable or zero coupon.
* The provision for redeeming at face value upon the death of the holder. **Limitations or exclusions may apply and may vary among issuers.**

# Mutual Funds

## Introduction

[FIRM NAME] must have a selling agreement on file for an advisor to transact business with an investment sponsor.

## Suitability And Disclosure Of Features And Risks

**Purpose of Policy: To set forth suitability considerations and client disclosures associated with the offer and sale of mutual funds.**

Before recommending the purchase, sale or exchange of any mutual fund, the employee should determine the suitability of choosing to invest in mutual funds, the available mutual fund families, the suitability of the particular mutual fund and the share class to be purchased. The determination involves an assessment of the client’s circumstances and the features and risks of the fund as described below.

Client Circumstances:

* Financial and tax circumstances investment objectives and risk tolerance Investment amount;
* Expected holding period of the mutual fund investment;
* Other mutual fund holdings, including holdings in related accounts or accounts held away from the Firm;
* Anticipated mutual fund transactions; and/or
* Other current investment holdings.

Fund Features and Risks:

* Fund’s investment objective;
* Fund's portfolio;
* Historical income or capital appreciation;
* Expense ratio and sales charges (and any available breakpoints and sales charge waivers);
* Risks of investing in the fund relative to other investments;
* Hedging or risk management strategy;
* Structure of multi-class and master-feeder funds;
* Potential tax consequences, including tax on distributions and capital gains subject to tax;
* Potential risks if a fund invests in financial derivatives; and/or
* If an expense ratio is represented as an advantage of a particular fund, it is explained in the context of and compared with other mutual fund expense ratios.

A fund’s features and risks are set forth in the prospectus. It is important that employees read and understand the contents of the fund prospectus prior to recommending a fund purchase to clients. A prospectus may be obtained from the product sponsor’s website or by contacting the product sponsor. Understanding the fund’s characteristics is important to making the necessary disclosures to clients and verifying that the fund and share class are suitable for the client. Relying on delivery of the prospectus is not sufficient.

## Mutual Fund Fees And Cost Structures

**Purpose of Policy: To describe the fee and cost structure of mutual fund share classes and the policies employees must follow in determining the best interests of their client.**

When purchasing a mutual fund, a client is subject to various fees and charges, which cover employee compensation, the cost of portfolio management, creating account statements, account services, recordkeeping, commissions, and legal services.

The fees and charges the client will pay are generally determined by the share class that the client purchases. Which share class to purchase is determined by a number of factors, which include the following:

* The client’s intended holding period;
* Related accounts (e.g., accounts owned by the client’s immediate family members) that hold the specific fund or other funds within the same fund family;
* The size of any pending or anticipated fund transactions;
* Amounts previously invested in the specific fund or other funds in the same fund family; and whether the client may be eligible for a reduction or waiver of the front-end sales charge.

### Class A Shares: Cost Structure and Breakpoints

Class A shares generally impose a front-end sales charge. Additionally, Class A shares may impose 12b-1 fees, but these fees are generally lower than those charged by other share classes.

The sales charge is built into the price structure and can be the Public Offering Price (“POP”), Net Asset Value (“NAV”), or any breakpoint in between.

Many mutual funds offer reductions of the front-end sales charge, known as “breakpoints,” if the client owns, buys, or agrees to buy in the future a specified number of shares within the same fund family. A client may be entitled to a breakpoint based on a single mutual fund transaction if the dollar size of the transaction exceeds one or more breakpoints (as detailed in the fund’s prospectus) or based on rights of accumulation, use of a letter of intent or rights of reinstatement as described further below.

Rights of Accumulation: Many mutual funds allow investors to count the value of the previous purchases of the same fund, or another fund within the same family, with the value of the current purchase, to qualify for breakpoint discounts. Additionally, mutual funds allow investors to count existing holdings from the same fund Firm in multiple accounts – this may include family members’ accounts or accounts at other RIAs – to qualify for breakpoint discounts.

Letter of Intent: A letter reflecting an investor’s intention to purchase a specified amount of Class A shares within a defined period of time, not to exceed thirteen (13) months. Additionally, some funds offer retroactive Letters of Intent that allow investors to rely on purchases in the recent past to qualify for a breakpoint discount. If an investor fails to invest the amount required by the Letter of Intent, the fund is entitled to retroactively deduct the correct sales charges based on the amount that the investor actually purchased.

Rights of Reinstatement: Many mutual funds will allow investors who have sold shares in the same or a related account to repurchase shares in the same fund family within a specified period.

Employees are responsible for understanding sales charge discounts to allow the client to purchase a mutual fund under the most favorable terms available. When recommending investments in multiple fund families, an analysis or comparison must be completed to demonstrate the cost difference if the client had made the purchases in a single fund family. Employees must properly disclose to the client that they are more likely to benefit from breakpoints when invested in fewer fund families.

### Mutual Fund Class B Share Policy

Class B shares typically do not charge a front-end sales charge. Rather, they typically have a contingent deferred sales charge (“CDSC”) that is imposed if the shares are sold prior to the expiration of the required holding period, which is specified in the prospectus. Depending upon the mutual fund, the CDSC may decline to zero depending upon how long the fund is held.

Class B shares generally have higher operating fees (12b1-1 fees) than Class A shares. Depending upon the mutual fund, Class B shares may convert to Class A shares after the expiration of a specified holding period and, therefore, be subject to lower 12b-1 fees.

Although Class B shares do not typically charge a front-end sales charge, those that charge a CDSC and/or 12b-1 fees, may not be referred to as no-load. To represent that a fund is no-load without disclosing the nature of the deferred sales charges, asset- based charges and/or other service fees would be an omission of material facts and is strictly prohibited.

Class B shares may be attractive to clients who prefer to put more investment dollars to work for them. However, Advisors making a recommendation to purchase a large amount of Class B shares should consider whether Class A shares are preferable due to their potentially lower expense ratios and availability of breakpoint discounts. Additionally, Advisors should consider the internal fund expenses associated with Class B shares, which may be higher than the initial sales charges imposed by Class A shares.

[FIRM NAME] requires that any purchase of Class B shares (whether solicited or unsolicited) must comply with the following requirements:

**Maximum Purchase Limit**: A purchase of $50,000 or greater requires prior written approval from the Firm Compliance Department.

**Aggregate Position Limit**: Each beneficial owner\* is limited to an aggregate Class B share position of $50,000. For example, the combined total of Class B shares in an individual account and an IRA or trust account for the same client is limited to $50,000 and, if the client has an individual and joint account, the combined Class B shares position in the two accounts may not exceed $50,000.

\*Beneficial owner: Any account identified by the same tax identification number.

*Note: Mutual fund exchanges, defined as the sale of one fund and the purchase of another fund in the same dollar amount and within the same fund family, are exempt from the B share policy.*

### Mutual Fund Class C Share Policy

Class C shares typically do not have a front-end sales charge but may be subject to a CDSC if the shares are sold within a brief time, typically one year from the purchase. Class C shares typically impose a higher 12b-1 fee than Class A shares and, because Class C shares do not convert to Class A shares, their 12b-1 fees will not be reduced over time.

Although Class B shares do not typically charge a front-end sales charge, those that charge a CDSC and/or 12b-1 fees, may not be referred to as no-load. To represent that a fund is no-load without disclosing the nature of the deferred sales charges, asset- based charges and/or other service fees would be an omission of material facts and is strictly prohibited.

Class C shares may be suitable for clients with short time horizons (i.e., 1-3 years) and, to this end, fund prospectuses generally state that, as a client’s time horizon increases towards 5 years, Class A shares are generally more suitable than Class C shares due to their lower annual expenses and the fact that Class C shares generally do not convert to Class A shares. Therefore, the Firm discourages long-term holding periods for Class C shares.

***CLASS C SHARES MAY NOT BE PURCHASED OR HELD IN ADVISORY ACCOUNTS.***

## Mutual Fund Switches

**Purpose of Policy: To set forth the policy regarding mutual fund switch transactions.**

Before a client sells an existing fund to purchase a new fund, the Advisor should determine whether there is an appropriate option available in the current fund family such that the client can “exchange” the fund without the imposition of a sales charge. This rationale should be documented in the client file or CRM. Advisors are cautioned that switching may be difficult to justify if the financial gain or investment objective to be achieved by executing the switch is undermined by the transaction fees that would be charged.

## Prospectus Delivery Requirements

**Purpose of Policy: To set forth the requirements relating to delivering the prospectus to clients who purchase mutual funds.**

The fund’s prospectus provides information regarding its features and risks including, for example, the fund’s objectives, holdings, fees, expenses, and client privileges based upon the share class purchased. Before recommending a fund, the employee should review the prospectus to clearly understand, and be able to explain to the client, the fund’s features, and risks.

* A prospectus is required to be delivered to the client at the time of initial purchase and under the following circumstances:
* The client makes a subsequent purchase of the same fund more than 365 days after the initial purchase; or
* The client makes a subsequent purchase of the same fund, and a material change has been made to the prospectus since the client’s prior purchase.

Employees are required to provide a prospectus to the client upon the client’s request.

## 12b-1 Fees

The Firm and its employees will not receive any 12b-1 fees. All 12b-1 fees will be related to the client by the custodian.

The Chief Compliance Officer or designee will monitor compensation to determine if any 12b-1 fees are being collected and will refund any fees collected by the custodian.

# Exchange Traded Products

**Purpose of Policy: To set forth the policy regarding exchange traded products.**

## Suitability Considerations

As is the case with any other recommended security or investment strategy, the Advisor must have a reasonable basis for believing that a recommendation to purchase an exchange-traded fund (“ETF”) or-exchange-traded note (“ETN”) is suitable and in the best interests of the client based on the client’s investment profile.

The advisor must not recommend any security if they believe that the client is not capable of understanding the features and risks of the product.

## Risk Disclosures

**Purpose of Policy: To set forth the risks associated with leveraged, inverse leveraged and VIX related ETFs and mutual funds.**

Client’s holdings of leveraged, inverse leveraged, and VIX related ETFs and ETNs should be regularly monitored by the Advisor as part of a routine portfolio review. Advisors should be aware of, and discuss with their clients, the regulatory guidance suggesting that these positions are generally not recommended for intermediate or long-term holds. The effect of compounding over periods of time greater than specified in the respective prospectus could cause unexpected results for clients who hold the positions, particularly in volatile markets.

# Communications With The Public

**Purpose of Policy: To set forth policies regarding communications with the public.**

## Introduction

### Employee Attestation

All employees must attest to reading, understanding, and fully complying with the Firm concerning communications with the public.

### Definitions

For purposes of this policy any interpretation thereof, “communications with the public” consist of:

* Retail/institutional communications correspondence
* Extemporaneous public appearances

[FIRM NAME] representatives who have questions as to whether material is considered to be “communication with the public,” should contact the CCO.

Retail/institutional communications include, but are not limited to:

* Brochures and illustrations
* Circulars, newsletters, or fliers
* Statement inserts
* Office signage
* Group email
* Prospecting or direct-mail communications
* Newspaper articles and advertisements
* Telemarketing scripts
* Form letters
* Audiovisual communications (audiotapes, videotapes, slides, overheads, etc.)
* Seminar materials, including materials of general interest, intended to educate attendees about basic financial concepts and generic financial and insurance products
* Sales presentation materials (general and non-product specific) used to develop interest in financial planning concepts or insurance products.
* Business listings
* Reprints of third-party articles or reports
* Business cards, letterhead, email signatures
* Radio or television commercials and shows
* Internet, websites, and all other forms of electronic media, including chat rooms, bulletin boards and instant messaging
* Sales scripts (face-to-face, visual, audio or email)
* Software Illustrations

“Retail/Institutional Communications” are any written (including electronic) communication that is distributed or made available to more than one retail and/or institutional investors.

“Retail investor” is any person other than an institutional investor, regardless of whether the person has an account with a member firm.

"Institutional Investor" is any person described by the SEC and state regulation.

No member may treat a communication as having been distributed to an institutional investor if the member has reason to believe that the communication or any excerpt thereof will be forwarded or made available to any person other than an institutional investor.

Advisory communications used with two or more advisory clients or prospects are considered “Advertising” and must be approved by the Chief Compliance Officer prior to use.

“Correspondence” is any written (including electronic) communication that is distributed or made available to a single (1) advisory client or prospect.

“Public Appearance” is participation in an unscripted forum (including an interactive electronic forum), radio or television show, or other public appearance or public speaking activity

“Advertisement” shall include any notice, circular, letter or other written communication addressed to more than one person, or any notice or other announcement in any publication or on radio or television which offers:

* Any analysis, report or publication which concerns securities, or is to be used in making any determination as to when to buy or sell any security or which security to buy or sell.
* Any graph, chart, formula, or other device to be used in making any determination as to when to buy or sell any security or which security to buy or sell.
* Any other investment advisory service regarding securities.

## Advertisement

**Purpose of Policy: To set forth** **the policies regarding the creation and dissemination of advertisements.**

### Overview

Advisory communications are regulated by the SEC pursuant to the authority of Section 206 of the Advisors Act, which generally prohibits investment advisors from engaging in fraudulent, deceptive, or manipulative activities. Section 206(4) also gives the SEC rule-making authority to define such activities and prescribe reasonable means to prevent them. Pursuant to this authority, the SEC has adopted [Rule 206(4)-1](https://www.sec.gov/investment/investment-adviser-marketing), which defines certain advertising practices to be a violation of Section 206(4).

###  Prohibitions in Advertisement.

[Rule 206(4)-1](https://www.ecfr.gov/current/title-17/chapter-II/part-275/section-275.206%284%29-1) - Advertisements by investment advisors, makes it unlawful for any investment advisor to disseminate any advertisements that:

* Include any untrue statement of a material fact or omit a material fact necessary to make the statement unclear, in the light of the circumstances under which it was made, so the statement is not intentionally misleading.
* Include a material statement of fact that the advisor does not have a reasonable basis for believing it will be able to substantiate upon demand by the Commission.
* Include information that would reasonably be likely to cause an untrue or misleading implication or inference to be drawn concerning a material fact relating to the investment advisor;
* Discuss any potential benefits to clients or investors connected with or resulting from the investment advisor's services or methods of operation without providing fair and balanced treatment of any material risks or material limitations associated with the potential benefits;
* Which refers, directly or indirectly, to past specific recommendations of an investment advisor unless the advertisement sets out or offers to furnish a list of all recommendations made by such investment advisor within the immediately preceding period of not less than one year. The list must:
	1. State the name of each such security recommended, the date and nature of each such recommendation (e.g., whether to buy, sell or hold), the market price at that time, the price at which the recommendation was to be acted upon, and the market price of each such security as of the most recent practicable date.
	2. Contain the following cautionary legend on the first page in print or type as large as the largest print or type used in the body or text thereof: “It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list;” and
* Include or exclude performance results, or present performance time periods, in a manner that is not fair and balanced.

The SEC’s definition and change of the Advertising rule and definitions was amended in 2021. The Chief Compliance Officer is responsible for being educated on the advertising rules applicable to the Firm and ensuring the Firm’s advertising practices do not violate any federal laws.

### Advertisement Policy

[FIRM NAME] requires all Supervised Persons to attend training covering the advertising rules. The Chief Compliance Officer or designee will be responsible for conducting the advertising training. Advertising training will include a review of this policy and the risks specific to the Firm’s business and advertising practices.

As a member of a highly regulated industry, you must comply with the rules and regulations designed to protect you, your valued reputation, your clients, the Firm, and our industry. Non-compliance may result in fines, sanctions, or other disciplinary action.

All questions concerning whether a given communication constitutes advertising or sales literature or whether an item of marketing material or advertising has been approved for distribution should be directed to the Chief Compliance Officer.

#### Internet Web Site/Social Networking Disclosure

Before any *Firm* owned website content is posted or revised or social media content is posted, or revised, the applicable content must be reviewed and approved by the Chief Compliance Officer or designee.

Employees of the Firm may advertise the services of the Firm on their personal social media accounts, so long as the account has been submitted and approved by the CCO. Employees may “like” or share advertisements on their personal social media pages without additional approvals, so long as the advertisement is not materially changed.  Approved social media pages will be archived and retained as part of the Firm’s books and records.

#### Rankings/Award Designations

Section 206(4) of the Investment Advisors Act of 1940 (the “Act”) makes it unlawful for investment advisors to engage in any activity that is fraudulent, deceptive, or manipulative. SEC guidance, the [*DALBAR, Inc*.](https://www.sec.gov/divisions/investment/noaction/1998/dalbar032498.pdf) and [*Investment Advisors Association*](https://www.sec.gov/divisions/investment/noaction/2017/investment-adviser-association-022117-206-4.htm)no action letters require the consideration and/or disclosure of the following factors with respect to the *Firm*’s advertisement of Awards (as applicable to the specific Award):

Whether the advertisement fully discloses a description of each Award’s qualifications, including a description of all criteria upon which the Award is based;

Whether the *Firm* pays any fee to receive the Award, which includes payments provided for initial consideration, and payments made after receiving the Award for such items as plaques, article reprints, or similar indicia of the Award;

Whether the Award was independently granted;

Whether the Award emphasizes favorable client responses or ignores unfavorable client responses;

Whether the Award represents all, or a statistically valid sample, of the responses of the *Firm*’s clients;

Whether the questionnaire sent to clients towards granting the Award was prepared to produce any pre-determined results that could benefit any advisor;

Whether the questionnaire sent to clients towards granting the Award is structured to make it equally easy for a client to provide a negative or positive response;

Whether the research firm granting the Award performs any subjective analysis of survey results, or if it instead assigns numerical ratings after averaging the client responses for each advisor;

Whether participating advisors meet certain eligibility criteria reasonably designed to ensure that a participating advisor has an established and significant history and record free from regulatory sanctions;

Whether the research firm granting the Award is affiliated with the *Firm*;

If participating advisors are required to pay a fee, whether they are all charged a uniform fee paid in advance:

Whether the research firm granting the Award issues ratings to an advisor if the ratings are not statistically valid with respect to that advisor;

Whether any survey results published by the research firm granting the Award contains information that clearly identifies the percentage of survey participants who have received such designation and the total number of surveys participants;

Whether the *Firm* is advertising any favorable rating without disclosing facts that the *Firm* knows would call into question the validity of the rating or the appropriateness of advertising the Award (e.g., the *Firm* has received numerous complaints relating to the rating category or in areas not included in the survey);

Whether the *Firm* advertises a favorable rating without disclosing any unfavorable ratings;

Whether the advertisement states or implies that the *Firm* was a top-rated advisor in a category when it was not rated first in that category;

Whether, in disclosing the *Firm*’s rating, the advertisement clearly and prominently discloses the category for which the rating was calculated or determined, the number of advisors surveyed in that category, and the percentage of advisors that received that rating;

Whether the advertisement discloses that the Award may not be representative of any one client’s experience because the Award reflects an average of all, or a sample of all, of the experiences of the *Firm*’s clients;

Whether the advertisement discloses that the Award is not indicative of future performance; and

Whether the advertisement discloses prominently who created and conducted the survey, and that the advisor paid a fee to participate in the survey (as applicable).

Accordingly, the *Firm* and/or its representatives shall not advertise Awards without prior approval from the Chief Compliance Officer or authorized representative. In making the determination about whether to advertise receipt of such Awards, the Chief Compliance Officer or authorized representative shall consider all the applicable factors described above.

#### Public Appearances

All relevant regulations apply to public appearances and appropriate disclosures must be included. Speaking engagements include speaking on a panel, in a forum, in person, on a digital platform or any other public appearance. Generally, these regulatory standards require a full, fair, and balanced discussion of the topics.

The Chief Compliance Officer must be notified of any public appearances on behalf of the Firm. Any scripted portions and/or written materials to be used must be provided and reviewed by the Chief Compliance Officer before the event.

When appearing in mass media, one cannot control the audience. The sophistication, investing experience, and suitability requirements of the audience is unknown. Therefore, discussions should be broad and general in nature, and should never be considered or construed as “advice.”

**[FIRM NAME] strictly prohibits employees from recommending specific securities or investments of any kind in any live public appearance, including radio and television.**

It is critical that disclosure in any type of mass media is clear and understandable. Fine print disclaimers are inappropriate for television as they cannot appear on screen long enough to be read and understood. Similarly, radio disclosures must be articulated so the listener can understand. Overly complex messages can also create problems. For example, a chart presented in a 30-second television commercial simultaneously with graphics, narration, and music may obscure, rather than illustrate, a point. Technical jargon may also mislead or fail to enhance the audience’s understanding.

## General Standards For Communications With The Public

**Purpose of Policy: To set forth the general standards in communications with the public.**

### Overview

Communications with the public must be based on principles of fair dealing and good faith and should provide a sound basis for evaluating the facts regarding any particular security, type of security, industry discussed, or service offered. No material fact or qualification may be omitted if the omission, in the context of the material presented, would cause the communication to be misleading. Exaggerated, unwarranted or misleading statements or claims are prohibited in all public communications. In preparing such communications, employees must bear in mind that inherent in investments are the risks of fluctuating prices and the uncertainty of dividends, rates of return and yield. Employees must not, directly, or indirectly, publish, circulate, or distribute any public communication that they know or have reason to know contains any untrue statement of a material fact, or is otherwise false or misleading. Whenever communicating with the public with respect to investments or investment advice, employees are expected to follow these general standards.

### Audience

Diverse levels of explanation and/or detail may be required, depending on the audience to which the communication is directed. If the statements made in a communication would be applicable only to a limited audience, or if additional information might be necessary for other audiences, this should be kept in mind. It is not always possible to restrict readership; therefore, it is recommended that employees address the communication to the novice investor.

### Clarity

A statement or disclosure made in an unclear manner can obviously result in a lack of understanding. A complex or overly technical explanation may be worse than too little information.

### Context of Statements

The overall context in which statements are made is particularly important. A statement made in one context may be misleading even though such a statement could be perfectly appropriate in another context. A good test is to note whether the treatment of risks and potential rewards is balanced, meaning that equal presentation has been given to both. Good questions to ask regarding balance are: What will the customer walk away with? What will the recipient of the communication remember? While technical adherence to the rules is pertinent, regulators have become increasingly stringent with RIAs and managers who allow communication to be disseminated that is not in compliance with the spirit of the rules. If the language in a letter is correct but the disclosure is too small, or the recipient’s attention is drawn only to the upside potential, the representation is unbalanced and lacks adequate disclosure.

### Misleading Statements

What makes a statement misleading? Most of the time a misleading statement is quite easy to pick out, but sometimes the situation is not so black-and-white. The following things should be considered when deciding if a statement could be misleading:

* Does the communication omit necessary explanations and/or limitations?
* Does the communication discuss the effect of general market conditions on the investment?
* Does the communication portray past performance as an indication of how the investment vehicle will perform in the future?
* Does the communication tout the benefits and omit, or play down, the risks involved? Is there a balance between the presentations of risks versus rewards?
* Are there exaggerated claims about future performance, management skills, expected earnings, etc.?
* Are there unwarranted or incomplete comparisons to other investments or indices?
* Does the material tout assets under management for an entity that is not an RIA, or is not the appropriate RIA that has the relationship for providing investment advice?

### Recommendations

Advisors may only recommend registered investment Firm products or variable insurance products in retail/institutional communications, provided that the recommendation is suitable for the audience.

Employees may not recommend other securities in retail/institutional communications.

### Disclosure

Disclosures are important, but it is not permitted to segregate all the disclosures in one area. The presentation must be balanced with the disclosures distributed throughout the communication. Disclosures placed as a footnote are appropriate solely for noting a source or date of the data presented.

### Points to Remember

There must be no promises of specific results, exaggerated or unwarranted claims, unwarranted superlatives, or opinions for which there is no reasonable basis.

Past performance may not be used to imply future results.

Hypothetical illustrations must be identified as such and must disclose all assumptions upon which they are based.

Investment plans or strategies may not imply that certain outcomes will be realized and must include disclosure that a given plan or strategy does not assure a profit and does not protect against loss.

Statistical information must disclose the source and date of the information.

## Client Testimonials

**Purpose of Policy: To set forth the policies regarding the solicitation or use of client testimonials.**

### Testimonials for RIAs and employees

**[FIRM NAME] employees may not solicit and use testimonials or endorsements in advertisements.**

## Submission Procedures

**Purpose of Policy: To set forth the policies regarding submission and review of advertisement.**

All retail/institutional communications must be submitted to the Chief Compliance Officer prior to use.

A catalog of pre-approved prospect and client presentation materials (and originals for the purpose of making copies) will be maintained by the Firm; these materials have been approved for use and are to be used in making presentations to prospects and clients under the following guidelines.

* Do not alter the materials in any manner.
* Only these materials are to be used.
* Other client-specific or asset-specific information may be used in conjunction with these materials.

An Advisor conducting a seminar, giving a lecture, or advertising in a particular state can result in that state determining that the Firm and/or the Advisor is holding themselves out in the state, thus possibly requiring registration or notification in that state.

### General Books and Records Requirements

**Purpose of Policy: To set forth the specific retention requirements for advertisements.**

All employees must retain their communications with the public, including pre-approved communications and those sent electronically for six (6) years from the date of last use.

Correspondence must be retained according to the correspondence record retention requirements. Additionally, if non-electronic correspondence is used with more than one recipient, the advisor must include a list of recipient names, date of use, and contact information used to distribute the communication.

Advisors remain responsible for retaining a list of recipients or attendees and any additional supporting documentation. The list should include the date of use, names of recipients/attendees, and if applicable, the contact information used to distribute the communication.

## Stationery Requirements

**Purpose of Policy: To set forth the policies regarding stationary and the required Firm disclosures.**

### Requirements for Stationery

Stationery includes, but is not limited to the following:

* Letterhead
* Half sheets / Note Pads
* Business Cards / Digital Business Cards
* Email Signatures
* Envelopes (including Return Envelopes)
* Fax Cover Sheets
* Note Cards
* Shipping labels
* Labels
* Masthead

Stationery must meet the following requirements:

* Prominently disclose applicable RIA disclosure as indicated in the “Commonly Used Disclosures” section of this chapter.
* Any address listed must be a registered office location as indicated in the “Office Addresses” section of this chapter. When including a telephone number, you must include a telephone number that rings into the registered office location.
* Email signatures must also include additional disclosure as indicated in the “Commonly Used Disclosures” section of this chapter.

Two-Sided Business Cards

While we can allow flexibility, care must be taken to determine that the RIA disclosure is prominent.

The following are suggestions, but other options may be considered:

* Place the website and email address on the back of the card along with the RIA disclosure. The font size should be reasonable based on the font sizes used on the front of the card and the amount of information included on the back. Logo, name, and title can remain on the front side of the card.
* Place the RIA disclosure on the front of the card with the logo, name, and title, and move other information, such as addresses or phone numbers to the back.

### Envelopes and Mailings

Envelopes and mailing labels may omit securities disclosure provided no more than the following information is included: name, approved DBA name, logo, title, designations, and contact information.

### Novelty Items

#### Overview

Although novelty items (such as pens, mouse pads, mugs, etc.) appear simple, the review of such items can pose some unique challenges. There are many types of novelty items, therefore the requirements may vary based on size, content and intended use.

Generally, the use of a logo on novelty items, such as pens and pencils, would not necessitate the inclusion of the RIA disclosure. On many larger novelty items, such as mugs and mouse pads, employees may wish to include an extensive list of the products and/or services they offer and/or their phone number. The inclusion of such information would trigger the need to add the RIA disclosure.

Requirements may be based on the size of the item. For example, if a pen contained a logo and a phone number, the RIA disclosure may not be necessary. Alternatively, if a mug contained a logo with an extensive list of products/services (or a phone number) the RIA disclosure may be necessary.

#### Summary

If a logo is the only item listed, the RIA disclosure may not be necessary regardless of the size of the item (i.e., mouse pad, t-shirt). Including a list of services/products triggers the inclusion of the RIA disclosure.

#### Office Addresses

Advisors cannot list satellite locations in their communications with the public. By way of reminder, Satellite Offices must meet all the following conditions:

* The location must solely be an “office of convenience.”
* Employees may meet with clients occasionally and exclusively by appointment only.
* The location must NOT be “held out” to the public as a branch office. This means that the location may not be listed on letterhead, business cards, phone directories, etc.
* Besides meeting clients at the location, ALL other functions of employees must be conducted and supervised through the designated Firm office.

Advisors who wish to include a mailing address may do so provided that the following three requirements are met:

* Communication must also include a street address. Non-registered locations cannot be listed.
* Employees who wish to use a post office box may do so if it is on file with the Firm, and the registered location is listed within the communication.
* It must be clear that it is a mailing address and not an office location. employees using a physical street address as their mailing address (e.g., Mailboxes Etc., UPS Store) should label the address as “Mailing.” Adding a label to a post office box is not necessary, as post office boxes are not office locations.

## Websites And Internet Communications

**Purpose of Policy: To set forth the policies regarding website and internet communications.**

### Websites and Internet Communications

Websites are retail/institutional communications and therefore are subject to the standard requirements. There is heightened regulatory scrutiny and concern regarding communications with the public over the internet and through personal websites. Advisors must submit all content posted to their websites in hardcopy to the Chief Compliance Officer and receive approval prior to posting to their website. Standard turnaround times apply. A temporary site may be posted online, if it is password protected or otherwise not accessible by the public.

Advisors are responsible for regularly reviewing the content of their websites and removing outdated content.

Hyperlinks to other websites from an advisor’s website may be acceptable, provided that the website is not exaggerated or otherwise misleading. If a hyperlink directs the public to specific articles or content posted on that site, the content must be approved by the Chief Compliance Officer or designee.

### State Registrations and Standard Disclosures

Websites are accessible to people in any state and country. Employees can do business only in the states in which they are registered. The internet poses additional challenges to determine compliance with each state’s specific codes and regulations.

Advisors must restrict viewers of their site to only those who live in states where the advisor is licensed to do business. Advisor’s must select one of the following options:

**State Disclosure**: *The [FIRM NAME] (“[FIRM NAME]”) representative associated with this website may discuss and/or transact securities business only with residents of the states in which the representatives are licensed.*

This disclosure must appear on every page of the website.

**Advisors must become registered in the respective state, prior to any direct communication with perspective customers, who are in states in which the advisor is not registered.**

**State Filter**: Visitors to the advisor’s website enter the state in which they live or select it from a drop-down menu. Visitors who choose a state in which the advisor is registered will be able to enter the advisor’s website. Visitors who choose a state in which the advisor is not registered will receive a message that the advisor is not located in their state, and they will not be able to enter the site.

### Banner Advertisements

Advertisements posted on non-affiliated, third-party websites must adhere to the following:

* The advertisement must link to the advisor’s approved website.
* The advertisement may not provide any information that could deem it an advertisement in and of itself, such as the advisor’s phone number or address.
* The site on which the advertisement is posted must not be misleading.
* The advertisement is subject to standard communication regulations and must be approved by Compliance prior to use.

## Electronic Communications And Forums

**Purpose of Policy: To set forth policies regarding electronic communications.**

### Electronic Communications

All employee emails are required to be hosted by or journaled through a Firm approved email service provider.

It is important for all employees be aware of the compliance requirements and potential liabilities when using the internet and electronic communications. Firm policy prohibits employees from participation in chat rooms or posting to bulletin boards concerning any publicly traded firm, security or other potential investment, or any other investment-related activity.

### Social Networking Sites

**Purpose of Policy: To set forth policies regarding the use of social media.**

#### Social Networking Sites

Use of social networking sites by employees for business purposes requires review and approval by the Chief Compliance Officer or designee. It is important for Firm employees to be familiar with regulatory requirements before using social networking sites.

#### Business vs. Personal Listings

[FIRM NAME] strongly recommends that business social networking is kept separate from personal social networking. Personal profiles are used to share information with friends and family and are not business related. It is recommended that personal sites are concealed using privacy settings. Within a personal profile it is acceptable to list your Firm name or title within a ‘work experience’ or ‘current job’ category. Anything beyond listing your Firm name and title is considered a promotion of your business and requires approval prior to use. The following examples would require review and approval: listing a Firm website, business contact information or services offered.

Except for LinkedIn, some social networking sites allow for a clear distinction between personal and professional use. LinkedIn is intended to be a business networking site; therefore, the Firm requires that LinkedIn profiles that reference securities and/or advisory business be approved before posting.

#### Static vs. Interactive Content

Many social media websites allow for **static** content to be posted. Static content is defined as content that remains the same unless changed by the user. This type of content is a retail/institutional communication examples of static content are:

1. Biographical or contact information included in a profile
2. Business listing posted on sites (such as Google My Business, Yelp, Yellow Pages)
3. Blogs
4. Email messages sent to twenty-six (26) or more brokerage retail investors and/or institutional investors and/or two or more advisory clients/prospects (e.g., LinkedIn InMail messages)

Some social media websites allow for **interactive** content to be posted. Interactive content is defined as real-time communications between two or more parties. Examples of interactive communications are ‘Status Updates’ on Facebook, ‘Share an Update on LinkedIn and ‘Tweets’ on Twitter. The following interactive social media sites are approved for use by Firm employees provided certain requirements are met (see section below for a full list of requirements):

1. Facebook business pages
2. LinkedIn
3. Twitter

***USING INTERACTIVE SOCIAL MEDIA SITES OTHER THAN FACEBOOK BUSINESS PAGES, LINKEDIN AND TWITTER IS STRICTLY PROHIBITED.***

**Employees are prohibited from using live streaming applications, such as Periscope and Meerkat.** These live streaming video applications allow users to present video through social media platforms and may allow for viewers to play back the video. During these live broadcasts, viewers can leave comments and to "like" the content (interactive communications). Since the Firm is unable to capture the live streaming videos and the viewer interactive communications as required by industry regulations, employees are prohibited from using live streaming video applications

#### Facebook, LinkedIn, and Twitter - Requirements

Facebook, LinkedIn, and Twitter allow for both static and interactive communications. Firm employees are permitted to use these sites provided the following requirements are met:

1. **Submit all static content to the Chief Compliance Officer for approval prior to use.** All profile, biographical and contact information posted is retail/institutional communications and must be submitted to Compliance for approval prior to posting.
2. **Prior to posting real-time interactive communications, employees must ensure that all content meets Firm content standards.** Content standards can be found in the General Standards for Communications with the Public section of this manual. Interactive communications will automatically be captured and routed to the Firm for archiving and subject to post-use review if flagged.
3. **Chat tools are prohibited.** Chat tools within these networking sites may not be used, as stated in the Instant Messaging section of this manual. Using other messaging and email tools available through Facebook, LinkedIn and Twitter is permitted and users must adhere to the Electronic Communications Chapter in this manual.

#### Facebook, LinkedIn, and Twitter - Permitted and Restricted Activities

***Facebook Business Page – PRE-APPROVAL REQUIRED***

* Static profile

***Facebook – Permitted Activities (Subject to Post-Use Review)***

* Sending “messages” from desktop applications (e.g., Messenger)
* Status updates
* Sharing a photo or link
* Sharing a ‘question’
* Posting content on another user’s ‘wall’

***Facebook – RESTRICTED Activities***

* Sending messages from mobile applications
* Chat functions
* Accept or acknowledge any recommendations or testimonials
* Posting a comment in reply to comments left on the advisor’s wall or another users’ wall

***LinkedIn – PRE-APPROVAL REQUIRED***

* Static profile

***LinkedIn – Permitted Activities (Subject to Post-Use Review)***

* Sending messages
* Sharing an update
* Posting under ‘Network Activity’
* Sharing comments within discussion group “Ask” or “Answer Questions”

***LinkedIn – RESTRICTED Activities***

* Chat functions
* Accepting recommendations

***Twitter – PRE-APPROVAL REQUIRED***

* Static profile

***Twitter – Permitted Activities (Subject to Post-Use Review)***

* Use Direct Message Tweets
* Retweets
* @ Replies
* @ Mentions
* Twitpic
* Favorites
* Hashtags

***Twitter – RESTRICTED Activities***

* Accepting recommendations
* May not use SMS invite outside of states in which you are registered

#### Requirements for All Social Networking Communications

The following requirements are applicable to all social networking communications and sites including Facebook, LinkedIn, and Twitter.

##### Recommendations and Testimonials

Some sites such as LinkedIn or Facebook allow third-party testimonials, ratings, endorsements, and/or recommendations. Such recommendations and endorsements may be considered testimonials and would need to follow the Firm’s policy regarding Testimonials.

Employees are responsible for removing or hiding such posts that do not conform to the Testimonial Policy.

##### Third-Party Posts

Most social networking sites allow third party comments to be posted to an individual or business profile. Except for Facebook, LinkedIn and Twitter, this functionality should be disabled when establishing a profile. If the functionality to disable third-party comments does not exist, the following requirements must be met:

Employees should not “like” or post responses to comments posted to your profile.

**Add the following disclosure**: *Third-party posts found on this profile do not reflect the views of [FIRM NAME] (“[FIRM NAME]”) and have not been reviewed by [FIRM NAME] as to accuracy or completeness.*

For Facebook and LinkedIn, the third-party disclosure language must also be included.

##### Messaging Tools

Employees are permitted to use messaging and emailing tools within Facebook, LinkedIn, and Twitter only. Messaging or emailing through any other social media site is strictly prohibited. Messages and emails sent through Facebook, LinkedIn and Twitter must adhere to the Electronic Communications Chapter of this manual.

Chatting tools within any social media site, including Facebook, LinkedIn, and Twitter, is strictly prohibited. See the Chat Rooms and Bulletin Boards Section of this manual for more information on chatting and instant messaging.

### Chat Rooms and Bulletin Boards

Private chat rooms and bulletin boards are considered retail/institutional communications. Typically, these forums are spontaneous and prior approval may be difficult to obtain. It is impractical to obtain prior approval and difficult to print and retain copies. Therefore, Firm policy strictly prohibits employees from participating in chat rooms and bulletin boards regarding any publicly traded Firm, security, potential investment, or any other investment related activity.

### Blogs

A blog, by definition, is a type of website which features regular entries consisting of commentary on popular news topics or a particular subject with entries commonly displayed in reverse-chronological order. Blogs are another form of a website and therefore must adhere to the same requirements. The requirements for a blog style website include, but are not limited to:

* Content, including all articles/commentaries, must be reviewed by the Chief Compliance Officer or designee; and
* Indicate the states in which you are registered to conduct business

This list is not all inclusive. Refer to section on “Websites and Internet Communications” herein for additional website requirements.

**Important Note:** While many blogs allow readers the ability to leave comments, for regulatory purposes this is not permitted as such responses are spontaneous and do not allow the opportunity for approval prior to posting.

### Instant Messaging

Member firms must supervise and retain instant messaging in the same manner as written correspondence. Instant Messaging does not provide means to adequately supervise electronic messages or retain records as required. **Therefore, the [FIRM NAME] policy prohibits the use of instant messaging.**

## Public Appearances

**Purpose of Policy: To set forth policies regarding public appearances.**

### General Considerations

**All federal and state regulations apply to public appearances and appropriate disclosures must be included. Generally, these regulatory standards require a full, fair, and balanced discussion of the topics.** You should involve the Chief Compliance Officer before the event if you have any questions or concerns about required disclosures or balancing statements.

When appearing in mass media, one cannot control the audience. The sophistication, investing experience, and suitability requirements of the audience is unknown. Therefore, discussions should be broad and general in nature, and should never be considered or construed as “advice.”

It is critical that disclosure in any type of mass media is clear and understandable. Fine print disclaimers are inappropriate for television as they cannot appear on screen long enough to be read and understood. Similarly, radio disclosures must be articulated slowly enough for the listener to understand. Overly complex messages can also create problems. For example, a chart presented in a 30-second television commercial simultaneously with graphics, narration, and music may obscure, rather than illustrate, a point. Technical jargon may also mislead or fail to enhance the audience’s understanding.

### Extemporaneous Speaking Engagements

Extemporaneous speaking engagements include speaking on a panel or in a forum where the material cannot be pre-scripted. This can include podcasts, radio shows, Facebook Lives, in person panels, etc.

### Public Appearance Policy

***[FIRM NAME] STRICTLY PROHIBITS FINANCIAL ADVISORS FROM DISCUSSING SPECIFIC SECURITIES OR INVESTMENTS OF ANY KIND IN ANY EXTEMPORANEOUS PUBLIC APPEARANCE, INCLUDING RADIO AND TELEVISION. THIS INCLUDES, BUT IS NOT LIMITED TO, SPECIFIC INDIVIDUAL COMMON AND PREFERRED STOCKS, BONDS, MUTUAL FUNDS, ETFS, VARIABLE PRODUCTS, TENANTS-IN-COMMON (TIC), COMMODITIES, OPTIONS, LIFE SETTLEMENTS, LIMITED PARTNERSHIPS, AND STRUCTURED PRODUCTS.***

As a member of a highly regulated industry, you must comply with the rules and regulations designed to protect you, your valued reputation, your clients, the Firm, and our industry. Non-compliance may result in fines, sanctions, or other disciplinary action.

### Public Appearances: Frequently Asked Questions

**Question**: **Can I give my opinion on a specific security?**

**Answer:** No, you may not give your opinion regarding a specific security during any extemporaneous public appearance. You may make general comments about the asset class or industry the security belongs to. You should suggest that the reader or listener seek out professional assistance, as there is no way you can collect all the information required to make an assessment or provide specific advice

**Question: Can I talk about mutual funds, ETFs, VULs, and variable life insurance?**

**Answer:** Yes, you may discuss mutual funds, ETFs, VULs, variable life insurance in a general and educational manner. However, when you plan to talk about registered investment products, the material must be pre-scripted and submitted for approval.

**Question: What if I do not plan to discuss mutual funds (or other registered products), but a caller or audience member asks me about them?**

**Answer:** As always, remember to provide the risks of investing in mutual funds, avoid discussing specific securities, and suggest that the caller and or reader seek out professional assistance before investing.

**Question: Can I give recorded copies of my program to clients/prospects?**

**Answer:** Yes, provided you receive the required approval of the version you intend to provide to the public.

## Commonly Used Disclosures

**Purpose of Policy: To educate on commonly used disclosures.**

### RIA Disclosure

#### Advisory Services

When referencing advisory services or products through [FIRM NAME], employees must use the following language:

*“Advisory services offered through [FIRM NAME], a SEC Registered Investment Advisor.”*

### Email Signatures

Employees and access persons must include the following within their email signatures:

*“The information contained in this email message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this message in error, please immediately delete.”*

### Opinions

Communications expressing an advisor’s personal opinion(s) in a mass media situation must include the following disclaimer:

*“The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments may be appropriate for you, consult with your financial advisor.”*

### Indices

If the communication mentions or refers to commonly known stock, bond or financial indices, the following disclosure must be included:

*“[Insert specific index name] is an unmanaged index that cannot be invested in directly.”*

### Quotes

Communications that include any quotations or factual information must provide the source and date of all quotes or facts. If a quotation or fact refers to general or specific performance, the following statement should be included:

*“Past performance is no guarantee of future results. All investments involve risks, including loss of principal.”*

### Examples and Hypothetical Illustrations

If the communication provides examples or hypothetical illustrations, these should be described in the past tense, and all assumptions used in the example should be disclosed in the following way:

*“This is a hypothetical example and is not representative of any specific security. Actual results will vary.”*

All the assumptions used (e.g., rate of return, reinvestment of dividends and capital gains, number of years invested, and the amount of fees, charges or taxes included, if any) should be disclosed.

### Consolidated Reports

If the report is manually generated by the representative to list values of various client accounts:

“*This report is provided as a courtesy for informational purposes and is not intended, in any manner, to be a substitute for your accounts monthly/quarterly statements. This report may include assets not held by [FIRM NAME] (“[FIRM NAME]”) (assets held away) and are not included in the Firm’s books and records. We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed. Since we rely on the custodians to determine the securities valuations listed, we encourage you to review the statements provided by the custodian for accuracy and maintain a copy of those original source documents.* *Those source documents may contain notices, disclosures and other important information and may also serve as a reference should questions arise regarding the accuracy of the information in this consolidated report. Always refer to these source documents for lending, legal or tax purposes. Calculations are based on, and valuations are stated in US Dollars. If you have any questions as to the values of the assets, please contact the custodian directly.”*

*[FIRM NAME] is not affiliated with [list outside firms]. [FIRM NAME] utilizes Charles Schwab & Co., Inc. (“Schwab”) as the custodian on your [FIRM NAME] managed accounts. Investment products are not deposits, not FDIC/NCUA insured, not insured by any government agency and are subject to risk and may lose value.*

If the report provides aggregate values for several different assets, a disclosure will be required to explain how the securities aggregation was calculated. An example of this disclosure,

*“Individual security quantities have been aggregated to display your ownership across multiple accounts or custodians. The value of the securities aggregated has been calculated from the securities value listed on each individual custodian statement.”*

For illiquid investments, like DPPs and REITS, asterisk where the securities are listed and add this disclosure:

*“\*These securities listed are generally illiquid. The value provided may be different from the purchase price, and accurate information will not become available until the securities is valued.”*

If performance has been calculated on the report:

*“Rates of return are based on rates received from [company name]. Your total return could be greater or less than the total return illustrated in this statement. Your total return will be based on the date of deposits and withdrawals minus all fees and expenses. Past performance is not a guarantee of future results or a guarantee of achieving overall financial objectives.”*

### Retirement or Tax-Deferred Investments

The penalties or taxes applicable to early withdrawals, retirement and death must be disclosed.

### Mutual Fund Performance Figures

If the communication contains performance figures, the following disclosures should be used:

* *“Past performance is no guarantee of future results.”*
* *“Performance is historical and includes reinvestment of dividends and capital gains.”*
* *“Investment return and principal values fluctuate with changing market conditions, so that, when redeemed, shares may be worth more or less than their original cost.”*

In addition, the following information should be noted:

*One-, five- and 10-year average annual returns, (or, if less than 10 years, returns from inception) as of the most recent calendar quarter end (e.g., the 1-, 5-, 10-year average annual returns for the period ending [insert date] were [insert %], [insert %], and [insert %], respectively. In addition, the most recent month-end returns should be included, or a toll-free number or website where an investor can obtain that information.*

The average annual returns should be accompanied by one of the following disclosures (whichever is applicable):

* *“These figures exclude commissions, sales charges or fees which, if included, would have had a negative effect on the annual returns.”*
* *“These figures include a sales charge of [insert %].”*

***Important Note: The use of performance figures with private or public partnerships or REITS is prohibited.***

# Electronic Communications

## Prohibition Against Accepting Client Instructions Via Email

**Purpose of Policy: To set forth the prohibition against accepting client instructions via email.**

Employees must not process trades or money movement instructions based on email instructions from a client. All email instructions must be confirmed verbally or in person prior to submitting to the Firm for processing. If failing to confirm verbally results in losses for the client, the advisor may be penalized up to the whole amount of the loss.

## Instant Messaging and Text Messaging

**Purpose of Policy: To set forth the guidelines for utilizing text messaging and instant messaging.**

Relevant regulations require firms to supervise and retain instant messaging and texting in the same manner as written correspondence and email communications. If an adequate supervisory program is not established, then the use of instant messaging and texting must be prohibited. The Firm has not acquired the required technology to provide text messaging archiving services.

Employees are prohibited from utilizing any personal device numbers in any advertisements or communications with the public. This includes calls, texts, emails to personal addresses or business-related messages to social media sites not approved or reported to the Firm for business use.

Employees who receive Firm business-related messages to their personal devices, email accounts and personal social media sites must forward the message to their Firm provided email address, or Firm provided phone number and then reply to the client from the Firm approved email or phone number asking the client to only send business-related messages to that address.

As an exception to this policy, the Firm may send employees second factor authentication text messages with a one-time use security key to enable access to Firm systems. Because these messages are one-way, system-generated notices that do not contain content about the Firm’s business, this exception to be consistent with this policy.

## Transmitting Personally Identifiable Information Via Email

**Purpose of Policy: To set forth the requirements for transmitting Personally Identifiable Information (PII) via email**.

Personally identifiable information (PII) is defined as all customer information of a personal or financial nature and is protected by legal and regulatory requirements; it is overly sensitive information and/or could cause harm to customers or the Firm if mishandled.

Access to and viewing of PII must be carefully protected, and only shared in accordance with customer privacy notice. Additionally, the Firm has established specific security requirements that govern the maintenance and transmission of PII.

## Using Mobile Devices to Store And Transmit Firm-Related Communications

**Purpose of Policy**: **To set forth the policies governing the use of mobile devices to store and transmit Firm-related communications.**

The risk of loss or theft of a mobile device containing email messages with client names, account numbers or other private data is greater than losing a computer from a home or office environment. Therefore, employees must not store client Personally Identifiable Information (PII) information or data on their mobile device, including your laptop. Any mobile device used for email purposes should be secured with a password or PIN in such a way that a stranger could never activate the device and read the email messages held on the device. Additionally, employees should never leave their mobile devices, including laptops, in an unsecured location.

# Communicating with Regulators

## Responding to Regulatory Inquiries, Examinations, And Other Requests

**Purpose of Policy**: **To set forth the policies governing communications with regulators.**

The Firm’s Chief Compliance Officer must be notified of all communications from regulators, including inquiries, examinations, proposed orders, and requests of any sort (in writing, orally, via email). You are required to notify the Firm of communications on all topics, such as those related to brokerage, advisory, insurance, commodities, outside investment and outside business activity, and standards of conduct. Failure to notify the Firm of any regulatory matter will be considered a violation of Firm policy and could result in disciplinary action.

Relevant agencies and organizations (collectively, “regulators”) include, but are not limited to, the following:

* Securities and Exchange Commission (SEC)
* Financial Industry Regulatory Authority (FINRA)
* Any state agency (including insurance regulators)
* Any bank regulator inquiring about securities business (such as the Federal Reserve, Office of Thrift Supervision (OTS), or Federal Deposit Insurance Corporation (FDIC))
* Department of Labor (DOL)
* Commodity Futures Trading Commission (CFTC)
* National Futures Association (NFA)
* Internal Revenue Service (IRS)
* Office of the Comptroller of Currency (OCC)
* Department of Justice (DOJ)
* Department of the Treasury
* Foreign regulatory bodies
* Certified Financial Planning Board
* Self-regulatory organizations
* Professional organizations
* Law enforcement agencies (state or local police, sheriff, attorney general, U.S. Marshalls Service, U.S. Attorney’s Office, FBI, Homeland Security, etc.)

Types of communications can include, but are not limited to, the following:

* Notice of examination
* In-person examination
* Phone call requesting information
* Letter or email requesting information
* Subpoena
* Settlement offers
* Settlement (such as a Consent Order, Stipulated order, or FINRA Acceptance, Waiver, and Consent (AWC))
* Exam disposition notice (such as a Cautionary Action letter, exam close out letter regardless of content)
* Order
* Stipulation
* Undertaking
* Wells Notice
* Investigation
* Sweep
* Notice
* Questionnaire
* Asset Verification Survey

Any written requests or documentation issued by the regulator must also be promptly forwarded to Compliance.

After being notified, the Firm will review the regulatory communication with the advisor to determine what approach should be taken to respond in a timely and accurate manner. A copy of examination findings, any written inquiry, settlement, order, disciplinary action, or other communication must be forwarded as soon as it is received. The advisor should not send any written responses to a regulator before discussing the matter with the Chief Compliance Officer.

The integrity of documentation and information provided to a regulator is paramount. Once in receipt of a request that calls for the production of documents that are or could be in the advisor’s possession, custody, or control, he or she must preserve those documents during the pendency of the matter; in no event should employees tamper, alter, destroy or damage potentially responsive documents. All information provided to the home office and regulators must be complete, truthful, and accurate. Any violation of this requirement will result in discipline up to and including immediate termination.

It is customary practice for state regulatory organizations to charge a fee for the examination of a branch office. If the Firm is charged such a fee, the Firm will pay the invoice promptly.

# Service Provider Due Diligence

**Purpose of Policy: To set forth the policies regarding service provider due diligence.**

The Chief Compliance Officer, or designee, is responsible for conducting due diligence of all service providers retained by the Firm to assist in the management or operational activities of client portfolios or accounts. The due diligence of the service provider will include an analysis of the qualifications of the service provider and material personnel. After a third-party service provider is selected, the Firm has a continuing responsibility to oversee and monitor the service provider’s performance of covered activities.

The service provider contract should stipulate the terms of the information and documents that must be reported, produced or maintained by the service provider and the Firm in order to effectively supervise the relationship. The contract should include a certification that the service provider will remain compliant with all applicable legal and regulatory requirements, including the Advisors Act and Regulation S-P, and that policies and procedures are in place to effectively maintain such compliance. In addition, the contract should describe the services that each party will provide all fee arrangements, termination and dispute provisions, and any other representations and warranties. Any compliance reports to be provided should also be addressed in the contract or via addendum, as applicable.

For other service providers, the Chief Compliance Officer, or designee, will monitor the service providers’ compliance with the terms of their respective agreement(s) and for assessing the service providers’ continued fitness and ability to perform the covered activities being outsourced.

# Recordkeeping

**Purpose of Policy: To set forth the Firm’s policies regarding recordkeeping.**

## Record Retention

Industry rules require the Firm and its employees to maintain specific records and documents.

The Firm is registered with the SEC and, although the Firm has notice filed in the states of Arizona, Florida, Michigan, New Hampshire, and Texas, the Firm follows the guidelines set forth by the SEC. Note: All Commissioners have a right to review all records maintained by registered investment advisors. Note: The Securities Commissioner for each state in which the Firm is registered has a right to review all records maintained by registered investment advisors.

The record retention requirements for the Firm, including employees, are outlined in this chapter.

### Records to be made by Investment Advisors

The Firm is currently registered with the United States Securities and Exchange Commission (“SEC”). Specific requirements for records to be made are set forth in Attachment D.

## Records to be preserved by Investment Advisors.

The SEC has specific requirements for the records to be preserved by Investment Advisors, which are set forth in Attachment D.

### Electronic Record Retention

**Purpose of Policy: To set forth the Firm’s policies regarding electronic record retention.**

Federal regulations permit the electronic storage of required books so long as such records are available for immediate and complete access by representatives of the SEC or applicable state Securities Commissioner. Any electronic storage media must preserve the records exclusively in a non-rewriteable, non-erasable format; verify automatically the quality and accuracy of the storage media recording process; serialize the original and, if applicable, duplicate units of storage media, and time-date for the required period of retention the information placed on such electronic storage media; and have the capacity to download indexes and records preserved on electronic storage media to an acceptable medium.

The Firm’s electronic record retention vendors are listed in the Cybersecurity Policy and identified in the Business Continuity Plan.

The Chief Compliance Officer is responsible for ensuring electronic files are stored in a manner that complies with the relevant federal laws.

### Client Files

**Purpose of Policy: To set forth the Firm’s policies regarding client files.**

A separate client file must be maintained for each separate account. Further, forms for different account registrations need to be kept in their own folders, separate from other accounts, even if they belong to the same client. For example, information pertaining to individual, IRA, joint, and advisory accounts must be kept separately.

[FIRM NAME] recommends starting a file as soon as a client completes a New Account Application and Agreement or advisory client profile.

Client files can also contain copies of:

* Incoming and outgoing correspondence that are also retained chronologically in the central Firm files
* Qualified Rollover Forms
* Investment Policy Statement

### Outgoing and Incoming Correspondence File

All outgoing and incoming correspondence must be filed chronologically in the outgoing and incoming correspondence files.

## Disposal Of Client Records and Information

**Purpose of Policy: To set forth the Firm’s policies regarding disposal of client records.**

The Chief Compliance Officer has the sole authority to permit the destruction of any required record. No required record will be destroyed before the required retention period has lapsed and before the Chief Compliance Officer has authorized such destruction in writing.

The Chief Compliance Officer or designee will conduct a review of a sample of documents prior to their destruction to ascertain whether the records fall outside of the retention policy and can be destroyed.

If the Firm has a pending or ongoing regulatory or legal proceeding, all document destruction must cease immediately, and documents must be preserved in a manner specified by counsel. Among other things, the Firm should be careful to avoid any inadvertent destruction of electronic documents through backup processes that overwrite old backups.

The Firm will dispose of client records as follows:

1. discard any proprietary documents or electronic media in a manner that ensures such documents and electronic media are shredded, permanently erased, or otherwise destroyed so that the information cannot be reconstructed;
2. store such material in a secure area until it is collected for shredding; and
3. destroy or erase all data when disposing of computers, diskettes, magnetic tapes, hard drives, or any other electronic media containing nonpublic and consumer report information.

Employees should be aware that some devices, such as scanners, photocopiers, and fax machines, may save electronic copies of documents that have been scanned, copied, or transmitted. Employees should consult with the device’s instruction manual or manufacturer to ensure that any stored information is erased before the device is removed from the Firm’s offices.

The Firm must ensure that any companies engaged in disposing of nonpublic information perform their duties in accordance with this policy. The Firm may ensure appropriate disposal by, among other things:

* + reviewing an independent audit of the disposal company's operations;
	+ obtaining information about the disposal company from references or other reliable sources; and/or
	+ requiring that the disposal company be certified by a recognized trade association or similar third party.

[FIRM NAME] may enter into confidentiality agreements with prospective counterparties that call for the Firm to destroy documentation associated with transactions that are not consummated. Such agreements will include provisions that describe the applicable record retention requirements and indicate that the Firm will comply with all such requirements.

# Do-Not-Call List File

**Purpose of Policy: To set forth the Firm’s obligations to maintain a do not call list.**

Pursuant to the Telephone Consumer Protection Act of 1991, the Firm must maintain a do-not-call list of people who do not want telephone solicitations from employees of the Firm. This list must be maintained even if it contains no information.

# ATTACHMENT A - GLOSSARY

**Charged**: Being accused of a crime in a formal complaint, information, or indictment (or equivalent formal charge).

**Client**: Any of your firm’s investment advisory clients. This term includes clients from which your firm receives no compensation, such as members of your family. If your firm also provides other services (e.g., accounting services), this term does not include clients that are not investment advisory clients.

**Control**: Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise.

* Each of your firm’s officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm.
* A ***person*** is presumed to control a corporation if the ***person***: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation’s voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation’s voting securities.
* A ***person*** is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership.
* A person is presumed to control a limited liability company (“LLC”) if the ***person***: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC.
* A ***person*** is presumed to control a trust if the ***person*** is a trustee or ***managing agent*** of the trust.

**Discretionary Authority or Discretionary Basis**: Your firm has discretionary authority or manages assets on a discretionary basis if it has the authority to decide which securities to purchase and sell for the ***client***. Your firm also has discretionary authority if it has the authority to decide which investment advisors to retain on behalf of the ***client***.

**Employee**: This term includes an independent contractor who performs advisory functions on your behalf.

**Enjoined**: This term includes being subject to a mandatory injunction, prohibitory injunction, preliminary injunction, or a temporary restraining ***order***.

**Felony**: For jurisdictions that do not differentiate between a felony and a ***misdemeanor***, a felony is an offense punishable by a sentence of at least one-year imprisonment and/or a fine of at least $1,000. The term also includes a general court-martial.

**Foreign Financial Regulatory Authority**: This term includes (1) a foreign securities authority; (2) another governmental body or foreign equivalent of a ***self-regulatory organization*** empowered by a foreign government to administer or enforce its laws relating to the regulation of ***investment-related*** activities; and (3) a foreign membership organization, a function of which is to regulate the participation of its members in the activities listed above.

**Found**: This term includes final adverse actions, including consent decrees in which the respondent has neither admitted nor denied the findings, but does not include agreements, deficiency letters, examination reports, memoranda of understanding, letters of caution, admonishments, and similar informal resolutions of matters.

**Investment-Related**: Activities that pertain to securities, commodities, banking, insurance, or real estate (including, but not limited to, acting as, or being associated with an investment advisor, broker-dealer, municipal securities dealer, government securities broker or dealer, issuer, investment company, futures ***sponsor***, bank, or savings association).

**Involved**: Engaging in any act or omission, aiding, abetting, counseling, commanding, inducing, conspiring with, or failing reasonably to supervise another in doing an act.

**Management Persons**: Anyone with the power to exercise, directly or indirectly, a ***controlling*** influence over your firm’s management or policies, or to determine the general investment advice given to the clients of your firm.

Generally, all of the following are management persons:

* Your firm’s principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions;
* The members of your firm’s investment committee or group that determines general investment advice to be given to ***clients***; and
* If your firm does not have an investment committee or group, the individuals who determine general investment advice are provided to clients (if there are more than five people, you may limit your firm’s response to their supervisors).

**Minor Rule Violation**: A violation of a ***self-regulatory organization*** rule that has been designated as “minor” pursuant to a plan approved by the SEC. A rule violation may be designated as “minor” under a plan if the sanction imposed consists of a fine of $2,500 or less, and if the sanctioned person does not contest the fine. (Check with the appropriate ***self-regulatory organization*** to determine if a particular rule violation has been designated as “minor” for these purposes.)

**Misdemeanor**: For jurisdictions that do not differentiate between a ***felony*** and a misdemeanor, a misdemeanor is an offense punishable by a sentence of less than one-year imprisonment and/or a fine of less than $1,000. The term also includes a special court-martial.

**Order**: A written directive issued pursuant to statutory authority and procedures, including an order of denial, exemption, suspension, or revocation. Unless included in an order, this term does not include special stipulations, undertakings, or agreements relating to payments, limitations on activity or other restrictions.

**Person**: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company (“LLC”), limited liability partnership (“LLP”), sole proprietorship, or other organization.

**Proceeding**: This term includes a formal administrative or civil action initiated by a governmental agency, ***self-regulatory organization,*** or ***foreign financial regulatory authority***; a ***felony*** criminal indictment or information (or equivalent formal charge); or a misdemeanor criminal information (or equivalent formal charge). This term does not include other civil litigation, investigations, arrests or similar charges effected in the absence of a formal criminal indictment or information (or equivalent formal charge).

**Self-Regulatory Organization or SRO**: Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade (“CBOT”), Financial Industry Regulatory Authority (“FINRA”) and New York Stock Exchange (“NYSE”) are self-regulatory organizations.

**Sponsor**: A sponsor of a ***wrap fee program*** sponsors, organizes, or administers the program or selects, or provides advice to clients regarding the selection of, other investment advisors in the program.

**Supervised Person**: Any of your officers, partners, directors (or other ***persons*** occupying a similar status or performing similar functions), or ***employees***, or any other ***person*** who provides investment advice on your behalf and is subject to your supervision or ***control***.

# ATTACHMENT B - VERSION LOG FOR COMPLIANCE MANUAL

|  |  |  |
| --- | --- | --- |
| **DATE** | **CHANGE** | **APPROVED BY** |
|  | New Compliance Manual  |  |
|  |  |  |
|  |  |  |
|  |  |  |

# ATTACHMENT C - CCO

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **NAME** | **EMAIL ADDRESS** | **TELEPHONE NUMBER** | **START DATE** | **END DATE** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

# ATTACHMENT D - RECORDS RETENTION POLICY

**SEC Guidelines**

§ 275.204-2 - Books and records to be maintained by investment advisors.

(a) Every investment advisor registered or required to be registered under section 203 of the Act (15 U.S.C. 80b-3) shall make and keep true, accurate and current the following books and records relating to its investment advisory business;

(1) A journal or journals, including cash receipts and disbursements, records, and any other records of original entry forming the basis of entries in any ledger.

(2) General and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income, and expense accounts.

(3) A memorandum of each order given by the investment advisor for the purchase or sale of any security, of any instruction received by the investment advisor concerning the purchase, sale, receipt, or delivery of a particular security, and of any modification or cancellation of any such order or instruction. Such memoranda shall show the terms and conditions of the order, instruction, modification or cancellation; shall identify the person connected with the investment advisor who recommended the transaction to the client and the person who placed such order; and shall show the account for which entered, the date of entry, and the bank, broker or dealer by or through whom executed where appropriate. Orders entered pursuant to the exercise of discretionary power shall be so designated.

(4) All check books, bank statements, cancelled checks and cash reconciliations of the investment advisor.

(5) All bills or statements (or copies thereof), paid or unpaid, relating to the business of the investment advisor as such.

(6) All trial balances, financial statements, and internal audit working papers relating to the business of such investment advisor.

(7) Originals of all written communications received and copies of all written communications sent by such investment advisor relating to:

(i) Any recommendation made or proposed to be made and any advice given or proposed to be given;

(ii) Any receipt, disbursement or delivery of funds or securities;

(iii) The placing or execution of any order to purchase or sell any security;

(iv) Predecessor performance (as defined in § 275.206(4)-1(e)(12) of this chapter) and the performance or rate of return of any or all managed accounts, portfolios (as defined in § 275.206(4)-1(e)(11) of this chapter), or securities recommendations; Provided, however:

(A) That the investment advisor shall not be required to keep any unsolicited market letters and other similar communications of general public distribution not prepared by or for the investment advisor; and

(B) That if the investment advisor sends any notice, circular, or other advertisement (as defined in § 275.206(4)-1(e)(1) of this chapter) offering any report, analysis, publication or other investment advisory service to more than ten persons, the investment advisor shall not be required to keep a record of the names and addresses of the persons to whom it was sent; except that if such notice, circular, or advertisement is distributed to persons named on any list, the investment advisor shall retain with the copy of such notice, circular, or advertisement a memorandum describing the list and the source thereof.

(8) A list or other record of all accounts in which the investment advisor is vested with any discretionary power with respect to the funds, securities, or transactions of any client.

(9) All powers of attorney and other evidence of the granting of any discretionary authority by any client to the investment advisor, or copies thereof.

(10) All written agreements (or copies thereof) entered into by the investment advisor with any client or otherwise relating to the business of such investment advisor as such.

(11) (i) A copy of each:

(A) Advertisement (as defined in § 275.206(4)-1(e)(1) of this chapter) that the investment advisor disseminates, directly or indirectly, except:

(1) For oral advertisements, the advisor may instead retain a copy of any written or recorded materials used by the advisor in connection with the oral advertisement; and

(2) For compensated oral testimonials and endorsements (as defined in § 275.206(4)-1(e)(17) and (5) of this chapter), the advisor may instead make and keep a record of the disclosures provided to clients or investors pursuant to § 275.206(4)-1(b)(1) of this chapter; and

(B) Notice, circular, newspaper article, investment letter, bulletin, or other communication that the investment advisor disseminates, directly or indirectly, to ten or more persons (other than persons associated with such investment advisor); and

(C) If such notice, circular, advertisement, newspaper article, investment letter, bulletin, or other communication recommends the purchase or sale of a specific security and does not state the reasons for such recommendation, a memorandum of the investment advisor indicating the reasons therefor; and

(ii) A copy of any questionnaire or survey used in the preparation of a third-party rating included or appearing in any advertisement in the event the advisor obtains a copy of the questionnaire or survey.

(12) (i) A copy of the investment advisor’s code of ethics adopted and implemented pursuant to § 275.204A-1 that is in effect, or at any time within the past five years was in effect;

(ii) A record of any violation of the code of ethics, and of any action taken as a result of the violation; and

(iii) A record of all written acknowledgments as required by § 275.204A-1(a)(5) for each person who is currently, or within the past five years was, a supervised person of the investment advisor.

(13) (i) A record of each report made by an access person as required by § 275.204A-1(b), including any information provided under paragraph (b)(3)(iii) of that section in lieu of such reports;

(ii) A record of the names of persons who are currently, or within the past five years were, access persons of the investment advisor; and

(iii) A record of any decision, and the reasons supporting the decision, to approve the acquisition of securities by access persons under § 275.204A-1(c), for at least five years after the end of the fiscal year in which the approval is granted.

(14) (i) A copy of each brochure, brochure supplement and Form CRS, and each amendment or revision to the brochure, brochure supplement and Form CRS, that satisfies the requirements of Part 2 or Part 3 of Form ADV, as applicable [17 CFR 279.1]; any summary of material changes that satisfies the requirements of Part 2 of Form ADV but is not contained in the brochure; and a record of the dates that each brochure, brochure supplement and Form CRS, each amendment or revision thereto, and each summary of material changes not contained in a brochure given to any client or to any prospective client who subsequently becomes a client.

(ii) Documentation describing the method used to compute managed assets for purposes of Item 4.E of Part 2A of Form ADV, if the method differs from the method used to compute regulatory assets under management in Item 5.F of Part 1A of Form ADV.

(iii) A memorandum describing any legal or disciplinary event listed in Item 9 of Part 2A or Item 3 of Part 2B (Disciplinary Information) and presumed to be material, if the event involved the investment advisor or any of its supervised persons and is not disclosed in the brochure or brochure supplement described in paragraph (a)(14)(i) of this section. The memorandum must explain the investment advisor’s determination that the presumption of materiality is overcome, and must discuss the factors described in Item 9 of Part 2A of Form ADV or Item 3 of Part 2B of Form ADV.

(15) (i) If not included in the advertisement, a record of the disclosures provided to clients or investors pursuant to § 275.206(4)-1(b)(1)(ii) and (iii) of this chapter;

(ii) Documentation substantiating the advisor’s reasonable basis for believing that a testimonial or endorsement (as defined in § 275.206(4)-1(e)(17) and (5) of this chapter) complies with § 275.206(4)-1 and that the third-party rating (as defined in § 275.206(4)-1(e)(18) of this chapter) complies with § 275.206(4)-1(c)(1) of this chapter; and

(iii) A record of the names of all persons who are an investment advisor’s partners, officers, directors, or employees, or a person that controls, is controlled by, or is under common control with the investment advisor, or is a partner, officer, director or employee of such a person pursuant to § 275.206(4)-1(b)(4)(ii) of this chapter.

(16) All accounts, books, internal working papers, and any other records or documents that are necessary to form the basis for or demonstrate the calculation of any performance or rate of return of any or all managed accounts, portfolios (as defined in § 275.206(4)-1(e)(11) of this chapter), or securities recommendations presented in any notice, circular, advertisement (as defined in § 275.206(4)-1(e)(1) of this chapter), newspaper article, investment letter, bulletin, or other communication that the investment advisor disseminates, directly or indirectly, to any person (other than persons associated with such investment advisor), including copies of all information provided or offered pursuant to § 275.206(4)-1(d)(6) of this chapter; provided, however, that, with respect to the performance of managed accounts, the retention of all account statements, if they reflect all debits, credits, and other transactions in a client’s or investor’s account for the period of the statement, and all worksheets necessary to demonstrate the calculation of the performance or rate of return of all managed accounts shall be deemed to satisfy the requirements of this paragraph.

(17) (i) A copy of the investment advisor’s policies and procedures formulated pursuant to § 275.206(4)-7(a) of this chapter that are in effect, or at any time within the past five years were in effect;

(ii) Any records documenting the investment advisor’s annual review of those policies and procedures conducted pursuant to § 275.206(4)-7(b) of this chapter;

(iii) A copy of any internal control report obtained or received pursuant to § 275.206(4)-2(a)(6)(ii).

(18) (i) Books and records that pertain to § 275.206(4)-5 containing a list or other record of:

(A) The names, titles and business and residence address of all covered associates of the investment advisor;

(B) All government entities to which the investment advisor provides or has provided investment advisory services, or which are or where investors in any covered investment pool to which the investment advisor provides or has provided investment advisory services, as applicable, in the past five years, but not prior to September 13, 2010;

(C) All direct or indirect contributions made by the investment advisor or any of its covered associates to an official of a government entity, or direct or indirect payments to a political party of a State or political subdivision thereof, or to a political action committee; and

(D) The name and business address of each regulated person to whom the investment advisor provides or agrees to provide, directly or indirectly, payment to solicit a government entity for investment advisory services on its behalf, in accordance with § 275.206(4)-5(a)(2).

(ii) Records relating to the contributions and payments referred to in paragraph (a)(18)(i)(C) of this section must be listed in chronological order and indicate:

(A) The name and title of each contributor;

(B) The name and title (including any city/county/State or other political subdivision) of each recipient of a contribution or payment;

(C) The amount and date of each contribution or payment; and

(D) Whether any such contribution was the subject of the exception for certain returned contributions pursuant to § 275.206(4)-5(b)(2).

(iii) An investment advisor is only required to make and keep current the records referred to in paragraphs (a)(18)(i)(A) and (C) of this section if it provides investment advisory services to a government entity or a government entity is an investor in any covered investment pool to which the investment advisor provides investment advisory services.

(iv) For purposes of this section, the terms “contribution,” “covered associate,” “covered investment pool,” “government entity,” “official,” “payment,” “regulated person,” and “solicit” have the same meanings as set forth in § 275.206(4)-5.

(19) A record of who the “intended audience” is pursuant to § 275.206(4)-1(d)(6) and(e)(10)(ii)(B) of this chapter.

(b) If an investment advisor subject to paragraph (a) of this section has custody or possession of securities or funds of any client, the records required to be made and kept under paragraph (a) of this section shall include:

(1) A journal or other record showing all purchases, sales, receipts, and deliveries of securities (including certificate numbers) for such accounts and all other debits and credits to such accounts.

(2) A separate ledger account for each such client showing all purchases, sales, receipts and deliveries of securities, the date and price of each purchase and sale, and all debits and credits.

(3) Copies of confirmations of all transactions effected by or for the account of any such client.

(4) A record for each security in which any such client has a position, which record shall show the name of each such client having any interest in such security, the amount or interest of each such client, and the location of each such security.

(5) A memorandum describing the basis upon which you have determined that the presumption that any related person is not operationally independent under § 275.206(4)-2(d)(5) has been overcome.

(c) (1) Every investment advisor subject to paragraph (a) of this section who renders any investment supervisory or management service to any client shall, with respect to the portfolio being supervised or managed and to the extent that the information is reasonably available to or obtainable by the investment advisor, make and keep true, accurate and current:

(i) Records showing separately for each such client the securities purchased and sold, and the date, amount, and price of each such purchase and sale.

(ii) For each security in which any such client has a current position, information from which the investment advisor can promptly furnish the name of each such client, and the current amount or interest of such client.

(2) Every investment advisor subject to paragraph (a) of this section that exercises voting authority with respect to client securities shall, with respect to those clients, make and retain the following:

(i) Copies of all policies and procedures required by § 275.206(4)-6.

(ii) A copy of each proxy statement that the investment advisor receives regarding client securities. An investment advisor may satisfy this requirement by relying on a third party to make and retain, on the investment advisor’s behalf, a copy of a proxy statement (provided that the advisor has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request) or may rely on obtaining a copy of a proxy statement from the Commission’s Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

(iii) A record of each vote cast by the investment advisor on behalf of a client. An investment advisor may satisfy this requirement by relying on a third party to make and retain, on the investment advisor’s behalf, a record of the vote cast (provided that the advisor has obtained an undertaking from the third party to provide a copy of the record promptly upon request).

(iv) A copy of any document created by the advisor that was material to making a decision how to vote proxies on behalf of a client or that memorializes the basis for that decision.

(v) A copy of each written client request for information on how the advisor voted proxies on behalf of the client, and a copy of any written response by the investment advisor to any (written or oral) client request for information on how the advisor voted proxies on behalf of the requesting client.

(d) Any books or records required by this section may be maintained by the investment advisor in such manner that the identity of any client to whom such investment advisor renders investment supervisory services is indicated by numerical or alphabetical code or some similar designation.

(e) (1) All books and records required to be made under the provisions of paragraphs (a) to (c)(1)(i), inclusive, and (c)(2) of this section (except for books and records required to be made under the provisions of paragraphs (a)(11), (a)(12)(i), (a)(12)(iii), (a)(13)(ii), (a)(13)(iii), (a)(16), and (a)(17)(i) of this section), shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, the first two years in an appropriate office of the investment advisor.

(2) Partnership articles and any amendments thereto, articles of incorporation, charters, minute books, and stock certificate books of the investment advisor and of any predecessor, shall be maintained in the principal office of the investment advisor and preserved until at least three years after termination of the enterprise.

(3) (i) Books and records required to be made under the provisions of paragraphs (a)(11) and (a)(16) of this rule shall be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the investment advisor, from the end of the fiscal year during which the investment advisor last published or otherwise disseminated, directly or indirectly, the notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication.

(ii) Transition rule. If you are an investment advisor that was, prior to July 21, 2011, exempt from registration under section 203(b)(3) of the Act (15 U.S.C. 80b-3(b)(3)), as in effect on July 20, 2011, paragraph (e)(3)(i) of this section does not require you to maintain or preserve books and records that would otherwise be required to be maintained or preserved under the provisions of paragraph (a)(16) of this section to the extent those books and records pertain to the performance or rate of return of such private fund (as defined in section 202(a)(29) of the Act (15 U.S.C. 80b-2(a)(29)), or other account you advise for any period ended prior to your registration, provided that you continue to preserve any books and records in your possession that pertain to the performance or rate of return of such private fund or other account for such period.

(f) An investment advisor subject to paragraph (a) of this section, before ceasing to conduct or discontinuing business as an investment advisor shall arrange for and be responsible for the preservation of the books and records required to be maintained and preserved under this section for the remainder of the period specified in this section, and shall notify the Commission in writing, at its principal office, Washington, D.C. 20549, of the exact address where such books and records will be maintained during such period.

(g) Micrographic and electronic storage permitted

(1) General. The records required to be maintained and preserved pursuant to this part may be maintained and preserved for the required time by an investment advisor on:

(i) Micrographic media, including microfilm, microfiche, or any similar medium; or

(ii) Electronic storage media, including any digital storage medium or system that meets the terms of this section.

(2) General requirements. The investment advisor must:

(i) Arrange and index the records in a way that permits easy location, access, and retrieval of any particular record;

(ii) Provide promptly any of the following that the Commission (by its examiners or other representatives) may request:

(A) A legible, true, and complete copy of the record in the medium and format in which it is stored;

(B) A legible, true, and complete printout of the record; and

(C) Means to access, view, and print the records; and

(iii) Separately store, for the time required for preservation of the original record, a duplicate copy of the record on any medium allowed by this section.

(3) Special requirements for electronic storage media. In the case of records on electronic storage media, the investment advisor must establish and maintain procedures:

(i) To maintain and preserve the records, so as to reasonably safeguard them from loss, alteration, or destruction;

(ii) To limit access to the records to properly authorized personnel and the Commission (including its examiners and other representatives); and

(iii) To reasonably ensure that any reproduction of a non-electronic original record on electronic storage media is complete, true, and legible when retrieved.

(h) (1) Any book or other record made, kept, maintained and preserved in compliance with §§ 240.17a-3 and 240.17a-4 of this chapter under the Securities Exchange Act of 1934, or with rules adopted by the Municipal Securities Rulemaking Board, which is substantially the same as the book or other record required to be made, kept, maintained and preserved under this section, shall be deemed to be made, kept, maintained and preserved in compliance with this section.

(2) A record made and kept pursuant to any provision of paragraph (a) of this section, which contains all the information required under any other provision of paragraph (a) of this section, need not be maintained in duplicate in order to meet the requirements of the other provision of paragraph (a) of this section.

(i) As used in this section the term “discretionary power” shall not include discretion as to the price at which or the time when a transaction is or is to be effected, if, before the order is given by the investment advisor, the client has directed or approved the purchase or sale of a definite amount of the particular security.

(j) (1) Except as provided in paragraph (j)(3) of this section, each non-resident investment advisor registered or applying for registration pursuant to section 203 of the Act shall keep, maintain and preserve, at a place within the United States designated in a notice from him as provided in paragraph (j)(2) of this section true, correct, complete and current copies of books and records which he is required to make, keep current, maintain or preserve pursuant to any provisions of any rule or regulation of the Commission adopted under the Act.

(2) Except as provided in paragraph (j)(3) of this section, each nonresident investment advisor subject to this paragraph (j) shall furnish to the Commission a written notice specifying the address of the place within the United States where the copies of the books and records required to be kept and preserved by him pursuant to paragraph (j)(1) of this section are located. Each non-resident investment advisor registered or applying for registration when this paragraph becomes effective shall file such notice within 30 days after such rule becomes effective. Each non-resident investment advisor who files an application for registration after this paragraph becomes effective shall file such notice with such application for registration.

(3) Notwithstanding the provisions of paragraphs (j)(1) and (2) of this section, a non-resident investment advisor need not keep or preserve within the United States copies of the books and records referred to in said paragraphs (j)(1) and (2), if:

(i) Such non-resident investment advisor files with the Commission, at the time or within the period provided by paragraph (j)(2) of this section, a written undertaking, in form acceptable to the Commission and signed by a duly authorized person, to furnish to the Commission, upon demand, at its principal office in Washington, DC, or at any Regional Office of the Commission designated in such demand, true, correct, complete and current copies of any or all of the books and records which he is required to make, keep current, maintain or preserve pursuant to any provision of any rule or regulation of the Commission adopted under the Act, or any part of such books and records which may be specified in such demand. Such undertaking shall be in substantially the following form:

*The undersigned hereby undertakes to furnish at its own expense to the Securities and Exchange Commission at its principal office in Washington, DC or at any Regional Office of said Commission specified in a demand for copies of books and records made by or on behalf of said Commission, true, correct, complete and current copies of any or all, or any part, of the books and records which the undersigned is required to make, keep current or preserve pursuant to any provision of any rule or regulation of the Securities and Exchange Commission under the Investment Advisors Act of 1940. This undertaking shall be suspended during any period when the undersigned is making, keeping current, and preserving copies of all of said books and records at a place within the United States in compliance with Rule 204-2(j) under the Investment Advisors Act of 1940. This undertaking shall be binding upon the undersigned and the heirs, successors and assigns of the undersigned, and the written irrevocable consents and powers of attorney of the undersigned, its general partners and managing agents filed with the Securities and Exchange Commission shall extend to and cover any action to enforce same.*

and

(ii) Such non-resident investment advisor furnishes to the Commission, at his own expense 14 days after written demand therefor forwarded to him by registered mail at his last address of record filed with the Commission and signed by the Secretary of the Commission or such person as the Commission may authorize to act in its behalf, true, correct, complete and current copies of any or all books and records which such investment advisor is required to make, keep current or preserve pursuant to any provision of any rule or regulation of the Commission adopted under the Act, or any part of such books and records which may be specified in said written demand. Such copies shall be furnished to the Commission at its principal office in Washington, DC, or at any Regional Office of the Commission which may be specified in said written demand.

(4) For purposes of this rule the term non-resident investment advisor shall have the meaning set out in § 275.0-2(d)(3) under the Act.

(k) Every investment advisor that registers under section 203 of the Act (15 U.S.C. 80b-3) after July 8, 1997 shall be required to preserve in accordance with this section the books and records the investment advisor had been required to maintain by the State in which the investment advisor had its principal office and place of business prior to registering with the Commission.