



**Lattice Wealth Management Group, Inc.**  
**Form ADV Part 2A – Firm Brochure**  
(CRD #171991 / SEC #801-96203)

*111 North Market Street Ste 300  
San Jose, CA 95113  
mylatticewealth.com*

March 28, 2024

This Brochure provides information about the qualifications and business practices of Lattice Wealth Management Group Inc. If you have any questions about the contents of this Brochure, please contact us at 708-948-7092 or call the Chief Compliance Officer at 855-729-4222 or by email at [compliance@integratedadvisorsnetwork.com](mailto:compliance@integratedadvisorsnetwork.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about the Advisor also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Integrated Advisors Network, LLC is a registered investment advisor. Registration with the United States Securities and Exchange Commission (“SEC”) or any state securities authority does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

---

### **Annual Update**

This section describes material changes to Lattice Wealth Management Group, Inc.’s Part 2A of Form ADV (“Part 2A Brochure” or this “Brochure”) since its last annual amendment. This Brochure, dated March 28, 2024, has been prepared according to the SEC disclosure requirements.

Additionally, in lieu of providing clients with an updated Part 2A Brochure each year, we typically provide existing advisory clients with this summary describing any material changes occurring since the last annual amendment. In these instances, we will make this delivery to existing clients within 120 days of the close of the fiscal year, which ends December 31<sup>st</sup>. Clients receiving the summary of material changes who wish to receive a complete copy of our then-current Part 2A Brochure may request a copy at no charge by contacting the Chief Compliance Officer by telephone at: 855-729-4222 or by email at [compliance@integratedadvisorsnetwork.com](mailto:compliance@integratedadvisorsnetwork.com). Lattice Wealth Management Group’s current Part 2A Brochure is also available through Integrated Advisor’s Network, LLC disclosure through the SEC’s Investment Adviser Public Disclosure website at [adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_Search.aspx](http://adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx), SEC# 801-96203 or upon request through the client’s IAR.

### **Material Changes since the Last Update**

#### **Item 4 – Advisory Business**

Integrated has changed its ownership to TX-HI, LLC.

#### **Item 5 – Fees & Compensation**

The billing methods have been updated.

## Item Table of Contents

---

Item 1 – Cover Page .....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	5
Item 6 - Performance Fees .....	6
Item 7 - Types of Clients .....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9 - Disciplinary Information .....	8
Item 10 - Other Financial Industry Activities and Affiliations .....	8
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Item 12 - Brokerage Practices.....	9
Item 13 - Review of Accounts .....	12
Item 14 - Client Referrals and Other Compensation.....	13
Item 15 - Custody .....	13
Item 16 - Investment Discretion .....	14
Item 17 - Voting Client Securities .....	14
Item 18 - Financial Information.....	14

## **Item 4 – Advisory Business**

---

### **Description of the Advisory Firm**

Lattice Wealth Management Group Inc. is a dba of the registered entity Integrated Advisors Network, LLC, collectively hereinafter “the Advisor” or “Lattice Wealth”. Integrated Advisors Network, LLC (“Integrated”) was founded in 2015 and is an SEC registered investment adviser.

The Advisor provides personalized investment advice and portfolio management services to individuals, families, non-profit organizations and small businesses.

The Advisor nor Integrated do not act as a custodian of client assets and the client always maintains asset control. The Advisor has discretion of client accounts and places trades for clients under a limited power of attorney.

### ***Principal Owners of Integrated Advisors Network, LLC are as follows:***

Integrated Advisors Network, LLC is owned by TX-HI, LLC. Jeff Groves, Linda Pix and Michael Young are control persons of the Firm.

### **Types of Advisory Services**

The Advisor will provide ongoing portfolio management services based on the risk profile of the client. The risk profile includes the client’s investment objectives, time horizon and risk tolerance. Investment portfolios are customized to meet the needs of each client.

The investment process works through the Advisor and the client having a series of conversations to determine targeted portfolio constraints. Portfolio constraints provide a range of investment that can take place in the three asset classes considered by the Advisor. These are equities, fixed income, and cash. At times, the Advisor may override the constraints of the portfolio.

The investment vehicles used to provide exposure to equities, fixed income and cash consist of common and preferred stock, corporate, government and municipal bonds and cash. There are occasions, usually dictated by account size, when the Advisor will utilize exchange-traded funds (ETFs) to manage portfolios. Smaller accounts sometime require ETFs because companies share prices are too high for those accounts to get an adequate percentage. This is also the case occasionally with corporate and municipal bonds, so the Advisor will use fixed income ETFs. The Advisor prefers to use common stock (over actively managed mutual funds and index funds) due to the direct ownership of companies, the tax benefits thereof and cost benefits. The weight of each position within the context of the client’s overall portfolio will depend on several factors including, but not limited to, the size of the investment, client risk profile, and other factors such as the cost basis of positions that are transferred from a previous broker. Money market funds will be the main investment vehicles used to provide exposure to the third asset class, cash. The Advisor also utilizes an income generating covered call program when warranted. This is used with client’s who have a risk level high enough and account sizes large enough to utilize it. The Advisor utilizes an approach where the client sells call options against portfolio companies at prices higher than the company stock price. This approach does not seek to buy call options for speculation on stock appreciation, rather to sell call options to generate income. There are occasions when, using this, approach that the stock is called away (sold).

### **Financial Planning Services**

The Advisor will typically provide a variety of financial planning to individuals, families and other clients based on an analysis of the client’s current situation, goals, and objectives. Generally, such financial planning will involve preparing a short, concise financial plan document or rendering a financial consultation for clients. The Advisor does not assume any responsibility for the accuracy of the information provided by the client and is not obligated to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant or other such professional).

The Advisor also offers client services ancillary to financial planning, which relate to addressing the needs required elder care and estate management. Services could be as simple as engaging with the clients' senior living facility service or long-term care provider or as complex as assisting a successor trustee in tasks related to closing an estate. The Advisor will charge an hourly fee competitive with other providers in the area for these services. The Advisor will only service requests authorized by the client or power of attorney.

### **Wrap Fee Programs**

The Advisor does not participate in wrap fee programs.

### **Client Tailored Services and Client Imposed Restrictions**

Advisory services are tailored to achieve the investment objectives of individual Clients. Generally, the Advisor has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or their Investors. Clients may impose restrictions on investing in certain securities or types of securities.

### **Amounts Under Management**

As of February 29, 2024, Integrated Advisors Network collectively managed approximately \$3.95 billion in assets on a discretionary basis and \$267 million on a non- discretionary basis.

Michael Ross and Arnell Land are Investment Advisor Representatives of Integrated Advisors Network.

## **Item 5 – Fees and Compensation**

---

### **Fee Schedule**

The fees and compensation payable to the Advisor are negotiable and vary among its clients.

### **Management Fee**

Increasingly, the Advisor has clients' accounts billed on a flat quarterly fee. This fee reflects the type of work done for the client and adjusted annually based on pre-determined measures of success.

In legacy accounts, the client will pay the Advisor a fee for its investment advisory services. The specific manner in which fees are charged by the Advisor is established in a client's written agreement with the Advisor. The fee will be calculated on a monthly basis and collected in advance. There is a fee range between 0.10% and 1.50% and based on a range of factors unique to each client.

The fee will be calculated in the same manner for all clients; however, the fee is negotiable. Upon termination of the Investment Advisory Agreement, the Advisor shall refund any of the unused portion. The client has the right to terminate the contract without penalty within five (5) business days after entering into the Investment Advisory Agreement with the Advisor. After the five (5) business days, the client may terminate the Investment Advisory Agreement at any time by giving written notice to the advisor. The Advisor may terminate the Agreement at any time by giving the client at least 30 days written notice.

The Advisor does not receive compensation for the purchase or the sale of securities or other investment products. The Advisor's fee for portfolio management is exclusive of commissions, transaction fees, and other related costs and expenses in connection with trading and custody. These fees and expenses shall be incurred by the client. Additionally, clients may incur certain charges imposed by mutual fund and exchange traded funds such as internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Advisor's fee, and the Advisor shall not receive any portion of these commissions, fees, and costs.

When the client seeks to have the Advisor to provide more administrative roles that do not constitute financial advice, the Advisor will charge an hourly fee for service. Such hourly rate will be competitive with similar providers in that geographical area.

### **Performance Fee**

The Advisor does not charge a performance-based fee (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Fee Billing**

Investment management fees and fixed fees are deducted monthly in advance. Account values are based upon pricing information supplied by the client's 3<sup>rd</sup> party qualified custodians, where their accounts are held. Fees are deducted from the client account to facilitate billing as authorized by the Investment Advisory Agreement.

Hourly billed fees are invoiced and deducted from the clients' account monthly in arrears.

### **Integrated Fee Disclosure**

The clients of Lattice Wealth will not pay and will not be affected by the fees of other IARs at Integrated. The following is for disclosure purposes only. Investment Adviser Representatives of Integrated have fees that may vary from the fees disclosed herein and may be collected in arrears or in advance. These fee schedules are specific to each advisory group of Integrated. See the individual brochure for each advisory group for specific details. Lattice Wealth's fees may be higher or lower than other advisory groups at Integrated and there is no representation that Lattice Wealth's fees are the lowest available for similar services.

### **Financial Planning/Tangible Property Fees**

The Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. As our fee is based on each client's personal situation, the complexity of the service, and time commitment required, we will provide an estimate of the total fee at the start of the advisory relationship.

Financial planning fees are negotiable but generally fees are charged at the rate of \$200 to \$300 an hour or for a fixed fee that generally ranges from \$1,000 to \$25,000. The Advisor may also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning. This is considered an integral part of the financial planning process and does not generate a separate fee. On occasion, the Advisor may enter into an agreement to offer financial consultation at a similar hourly rate as the financial planning rate.

### **Item 6 – Performance Fees**

---

The Advisor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

---

The Advisor provides portfolio management services to individuals, high net worth individuals, non-profit organizations, trusts, corporate and small business profit-sharing plans, and plan participants of corporate and small business retirement plans.

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

---

### Investment Strategy

The Advisor first ascertains the client's risk profile—age, investment objectives, time horizon, risk tolerance and liquidity needs. The investment strategy undertaken by the Advisor is to create and monitor an investment portfolio that is consistent with the risk profile of each client. The Advisor normally considers three asset classes for the investment of client funds— equities, fixed income, and cash. For each asset class, the following are the primary investment vehicles:

- Equities—common stock
- Fixed Income—primarily corporate, US Government and municipal bonds.
- Cash—primarily money market funds and CDs.

Based on the client's risk profile, the Advisor creates portfolio constraints for each client. Portfolio constraints provide a general range (the minimum to the maximum) of investment that can take place in the three asset classes that are considered by the Advisor. The weight of each investment vehicle within the context of the client's overall portfolio will depend on several factors including, but not limited to, the size of the investment, client risk profile (risk tolerance, investment objectives, time horizon, etc.), and other factors such as the cost basis of positions that are transferred from a previous broker.

The Advisor generally follows these risk management guidelines:

- Adhere, with portfolio constraints set for each client.
- Raise cash levels in declining and volatile equity markets.

### Methods of Analysis

Common stocks are evaluated using technical analysis techniques as well as review of third- party research. Investment in any security always involves risk of loss that clients should be prepared to bear. Market fluctuations, interest rates, inflation, economic downturns, and individual business performance are some of the possible exposures. The Advisor will do its best to tailor the portfolio so that it meets both the client's return expectations and risk tolerance, but this is not guaranteed. In addition, the client's return expectations are subject to the realities of the financial markets and dependent on the risk the client is willing to assume. While the Advisor's investment strategy is designed to mitigate exposure to various risks, the client needs to understand that the risks are there and to be prepared to bear losses that may result. At any point in time, a client's investments will be worth more or less than originally invested. Here is some more on principal investment risks:

*Stock Market Volatility.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short- term market volatility and may have adverse long-term effects on world economies and markets generally.

*Interest Rate Changes.* Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities and mortgage securities can be more sensitive to interest rate changes.

*Foreign Exposure.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement,

custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

In response to market, economic, political, or other conditions, the Advisor may temporarily use a different investment strategy for defensive purposes.

## **Item 9 – Disciplinary Information**

---

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients. Other IARs of Integrated have been involved in disciplinary events related to past investment clients previous to their association with Integrated.

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

---

The Advisor offers services through an Investment Advisor Representative of Integrated Advisors Network. The client should understand that Lattice Wealth Management Group is the legal entity of the IAR and not of the Firm, Integrated Advisors Network. The advisory services of the IAR are provided through Integrated Advisors Network.

Our firm offers services through our network of investment advisor representatives ("Advisor Representatives" or "IARs"). IARs may have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials or client statements. The Client should understand that the businesses are legal entities of the IAR and not of our firm Integrated Advisors Network. The IARs are under the supervision of our firm Integrated Advisors Network. Our firm Integrated Advisors Network has the arrangement described above with the following Advisor Representatives:

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

---

### **Code of Ethics**

The Advisor has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Advisor's Compliance Officer and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Advisor's Compliance Officer. Each supervised person of the Advisor receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Advisor's Code of Ethics by contacting the Compliance Officer of the Advisor.

### **Participation or Interest in Client Transactions**

Under the Advisor's Code of Ethics, the Advisor and its managers, members, officers, and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. The Advisor may decline any proposed trade by an employee that involves a security that is being or has been purchased or sold by the Advisor on behalf of any client or is being considered for purchase or sale. The Advisor and its managers, members, officers, and employees may also buy or



sell specific securities for their own accounts based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

### **Personal Trading**

The Chief Compliance Officer reviews employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Firm receive preferential treatment.

## **Item 12 – Brokerage Practices**

---

### **Brokerage Selection and Soft Dollars**

The Advisor has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. The Advisor may recommend brokerage firms as qualified custodians and for trade execution. The Advisor does not receive fees or commissions from any of these arrangements.

In selecting brokers or dealers to execute transactions, Advisor will seek to achieve the best execution possible, but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Advisor is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies, or sectors; market, financial and economic studies, and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of the Advisor to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction, and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Advisor may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Advisor makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Advisor will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Advisor has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

### **Best Execution**

As a fiduciary, the Advisor owes a fiduciary duty to its clients to obtain best execution of their transactions. That duty puts forth that an investment adviser generally must execute securities transactions in such a manner that the total cost or proceeds in each transaction is the most favorable under the circumstances. However, clients must understand that best execution does not necessarily mean the lowest available price. Instead, the totality of the arrangement and services provided by a broker-dealer must be examined to determine a qualitative measure of best execution. Based on these principles, commission and fee structures of various broker-dealers are periodically reviewed by the Best Execution Committee in order to evaluate the execution services provided by Cambridge and all of the unaffiliated broker-dealers and custodians used by the Advisor. Accordingly, while the Advisor does consider competitive rates, it does not necessarily obtain the lowest possible commission rates for client account transactions. Therefore, the overall services provided by the Advisor and all of the unaffiliated broker-dealers and custodians are evaluated to determine best execution.

### **Research and Other Benefits**

Neither Integrated nor the Advisor maintain custody of client assets that managed and/or advised on (see Item 15—Custody, below). Assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Integrated works with multiple custodians. A few of these custodians include, but are not limited to, Charles Schwab & Co., Inc. ("Schwab") and Fidelity Investments, Inc. ("Fidelity") (aka "the custodian", "custodians")

registered broker-dealers, members SIPC. Integrated is independently owned and operated and is not affiliated with the custodians utilized. The custodian chosen will hold client assets in a brokerage account and buy and sell securities when instructed to. While a certain custodian may be recommended, the client can choose whether to use that custodian or another and will open their account with said custodian by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

When considering whether the terms that custodians provide are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including: combination of transaction execution services and asset custody services (generally without a separate fee for custody), capability to execute, clear, and settle trades (buy and sell securities for your account), capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.), breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.), quality of services, reputation, financial strength, security and stability, prior service to us and our clients, availability of other products and services that benefit us.

### **Brokerage and Custody Costs**

For Integrated and the Advisor's clients' accounts that certain custodians maintain, the custodian generally does not charge the client separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the client account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Although we are not required to execute all trades through the custodian selected, we have determined that having the custodian execute most trades is consistent with Integrated and the Advisor's duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. By using another broker or dealer you may pay lower transaction costs.

### **Products and Services Available**

Fidelity and Schwab provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. The custodians also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. The support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Some of these support services are as follows:

**Services that benefit the client:** Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by clients. The services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit the client:** Other products and services that benefit us but do not directly benefit you or your account are also available. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both the custodian's own and that of third parties. Integrated uses this research to service all or a substantial number of our clients' accounts. In addition to investment research, also available is software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts

- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only Integrated and/or the Advisor:** The custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

The custodian provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Integrated. Custodians also discount or waives its fees for some of these services or pays all or a part of a third party's fees. The custodian also provides Integrated with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with the custodian chosen, Integrated would be required to pay for those services from our own resources.

The benefits received by Integrated or its personnel do not depend on the amount of brokerage transactions directed to the specific custodian. As a part of the fiduciary duties to clients, the Advisor and Integrated endeavors at all times to put the interest of clients first.

The availability of these services benefits Integrated and the Advisor because we do not have to produce or purchase them. Certain custodians have also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on Integrated's behalf once the value of our clients' assets in accounts at the specific custodian reaches certain thresholds. [These services are not contingent upon us committing any specific amount of business to the custodian in trading commissions or assets in custody.] The fact that we receive these benefits from a specific custodian is an incentive for us to recommend the use of said custodian rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. Integrated believes, however, that taken in the aggregate our recommendations of a specific business as custodian and broker is in the best interests of clients.

### **Order Aggregation**

The Advisor may purchase and/or sell the same security for many accounts, even though each client account is individually managed. When possible, the Advisor may also aggregate the same transaction in the same securities for many clients for whom the Advisor has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If the Advisor is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, the Advisor will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- The Advisor must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.

- All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.
- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in the Advisor's written agreements.
- Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts, or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No client/investor, account or fund will be favored over any other client/investor, account, or fund as a result of the allocation.
- Pre-allocation statement(s) specifying the participating client/investor accounts and the proposed method to allocate the order among the clients/investors, accounts or funds are required prior to any allocated order. Basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of the Advisor.

In cases where the client has negotiated the commission-rate directly with the broker, the Advisor will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any, possible commission discounts that might otherwise be available a result of the aggregated trade.

### **Directing Brokerage for Client Referrals**

The Advisor and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

### **Directed Brokerage**

The Advisor allows clients to direct brokerage, but the Advisor does not require clients to direct brokerage. In the event that a client directs the Advisor to use a particular broker or dealer, the Advisor may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Advisor to use a particular broker or dealer and other clients who do not direct Advisor to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. The Advisor may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Advisor to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit the Advisor to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a client's account, the Advisor may be precluded from aggregating that client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

## **Item 13 – Review of Accounts**

---

### **Periodic Reviews**

Account reviewers are members of the Firm, CCO, and its registered Investment Advisor Representatives who review accounts not less than once a year. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Client

accounts reviewed by the Investment Adviser Representative responsible for the account and the CCO also performs random reviews.

### **Review Triggers**

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

### **Regular Reports**

Clients receive statements from custodian and reports from the advisor. The statements from the custodian should be available on a monthly basis and include portfolio holdings, associated market values, monthly account activity and month-end account balance. Additionally, the custodian produces trade confirmations as transactions occur. Reports from the Advisor are sent on a periodic basis and address such topics as the Advisor's investment strategies, views of the current and historical market, and economic conditions.

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

---

### **Incoming Client Referrals**

The Adviser receives client referrals which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. The Firm does not compensate referring parties for these referrals.

### **Promoter Referrals**

The Adviser has not entered into any promoter (formerly known as solicitor) relationships.

### **Referrals to Third Parties**

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Item 15 – Custody**

---

### **Custody Policy**

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

The Adviser is generally considered to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") in which the Adviser may have some discretion in transferring the funds on behalf of the client. These SLOAs have been put in place upon the client's written request and signature. For instance, the amount or timing of the transfers may not be on the SLOA submitted to the custodian; however, at a future date, a client will contact the Adviser requesting that the advisor submit instructions to the custodian to remit a specific Advisor amount from the account to the designated third-party (both of which are identified in the SLOA that is on file). The Adviser meets the seven conditions the SEC has set forth that are intended to protect client assets in such situations.

### **Account Statements**

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

### **Performance Reports**

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisors to urge clients to compare the information set forth in their statement from the Advisor with the statements received directly from the custodian to ensure accuracy of all account transactions.

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

---

The Advisor contracts for discretionary authority to transact portfolio securities accounts on behalf of clients with no specific limitations as to type, amount, concentration, or leverage. Further, the Advisor may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate. The Firm's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

The Advisor will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to select the custodian to be used and the commission rates paid to the Advisor. The Advisor does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

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

---

The Advisor will not vote nor advise clients how to vote proxies for securities held in client accounts. The client keeps the authority and responsibility for the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Advisor promptly passes along any proxy voting information to the clients or their representatives.

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

---

The Advisor does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients. The Advisor meets all net capital requirements that it is subject to, and the Advisor has not been the subject of a bankruptcy petition in the last 10 years.

The Advisor is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.