

**CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)**  
*(continuation)*

**PART II**

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority*, SRO, commodities exchange, agency, firm, private plaintiff, etc.)

2. Principal Relief Sought (check appropriate item):

- |   |                                       |  |  |
|---|---------------------------------------|--|--|
| <input type="checkbox"/> Cease and Desist           | <input type="checkbox"/> Disgorgement | <input type="checkbox"/> Money Damages (Private/Civil Complaint) | <input type="checkbox"/> Restraining Order |
| <input type="checkbox"/> Civil Penalty(ies)/Fine(s) | <input type="checkbox"/> Injunction   | <input type="checkbox"/> Restitution                             | <input type="checkbox"/> Other _____       |

Other Relief Sought:

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3. Filing Date of Court Action (MM/DD/YYYY):   Exact  Explanation

If not exact, provide explanation: \_\_\_\_\_

4. Principal Product Type (check appropriate item):

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Annuity(ies) - Fixed    | <input type="checkbox"/> Derivative(s)                               | <input type="checkbox"/> Investment Contract(s)   |
| <input type="checkbox"/> Annuity(ies) - Variable | <input type="checkbox"/> Direct Investment(s) - DPP & LP Interest(s) | <input type="checkbox"/> Money Market Fund(s)     |
| <input type="checkbox"/> CD(s)                   | <input type="checkbox"/> Equity - OTC                                | <input type="checkbox"/> Mutual Fund(s)           |
| <input type="checkbox"/> Commodity Option(s)     | <input type="checkbox"/> Equity Listed (Common & Preferred Stock)    | <input type="checkbox"/> No Product               |
| <input type="checkbox"/> Debt - Asset Backed     | <input type="checkbox"/> Futures - Commodity                         | <input type="checkbox"/> Options                  |
| <input type="checkbox"/> Debt - Corporate        | <input type="checkbox"/> Futures - Financial                         | <input type="checkbox"/> Penny Stock(s)           |
| <input type="checkbox"/> Debt - Government       | <input type="checkbox"/> Index Option(s)                             | <input type="checkbox"/> Unit Investment Trust(s) |
| <input type="checkbox"/> Debt - Municipal        | <input type="checkbox"/> Insurance                                   | <input type="checkbox"/> Other _____              |

Other Product Types:

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5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):

**CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)**  
*(continuation)*

7. Describe the allegations related to this civil action (your response must fit within the space provided):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Current status?  Pending  On Appeal  Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

\_\_\_\_\_

10. If pending, date notice/process was served (MM/DD/YYYY):   Exact  Explanation

If not exact, provide explanation: \_\_\_\_\_

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved (check appropriate item):

- Consent                       Judgment Rendered                       Settled  
 Dismissed                       Opinion                       Withdrawn                       Other \_\_\_\_\_

12. Resolution Date (MM/DD/YYYY):   Exact  Explanation

If not exact, provide explanation: \_\_\_\_\_

13. Resolution Detail:

A. Were any of the following Sanctions *Ordered or* Relief Granted (check appropriate items)?

- Monetary/Fine                       Revocation/Expulsion/Denial                       Disgorgement/Restitution  
Amount: \$   Censure                       Cease and Desist/Injunction                       Bar                       Suspension

B. Other Sanctions:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





## JUDGMENT / LIEN DISCLOSURE REPORTING PAGE (ADV)

### GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an  INITIAL **OR**  AMENDED response used to report details for affirmative responses to Item 2.D. of Part 1B of Form ADV.

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

Your Name	Your CRD Number
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1. Judgment/Lien Amount:

2. Judgment/Lien Holder:

3. Judgment/Lien Type: (check appropriate item)

Civil     Default     Tax

4. Date Filed (MM/DD/YYYY):   Exact     Explanation

If not exact, provide explanation: \_\_\_\_\_  
 \_\_\_\_\_

5. Is Judgment/Lien outstanding?     Yes     No

If no, provide status date (MM/DD/YYYY):   Exact     Explanation

If not exact, provide explanation: \_\_\_\_\_  
 \_\_\_\_\_

If no, how was matter resolved? (check appropriate item)

Discharged     Released     Removed     Satisfied

6. Court (Name of Federal, State or Foreign Court), Location of Court (City or County and State or Country) and Docket/Case Number:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7. Provide a brief summary of events leading to the action and any payment schedule details including current status (if applicable) (your response must fit within the space provided):

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## ARBITRATION DISCLOSURE REPORTING PAGE (ADV)

### GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an  INITIAL **OR**  AMENDED response used to report details for affirmative responses to Item 2.E. of Part 1B of Form ADV.

Check Part 1B item(s) being responded to:  2.E(1)     2.E(2)     2.E(3)     2.E(4)     2.E(5)

Use a separate DRP for each event or *proceeding*. The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 2.E. Use only one DRP to report details related to the same event. Unrelated arbitration actions must be reported on separate DRPs.

### PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

- You (the advisory firm)
- You and one or more of your *advisory affiliates*
- One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name).

If the *advisory affiliate* has a CRD number, provide that number. If not, indicate "non-registered" by checking the appropriate checkbox.

Your Name	Your CRD Number
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#### ADV DRP - ADVISORY AFFILIATE

CRD Number	This <i>advisory affiliate</i> is <input type="checkbox"/> a firm <input type="checkbox"/> an individual
	Registered: <input type="checkbox"/> Yes <input type="checkbox"/> No

Name (For individuals, Last, First, Middle)
---

This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or CRD records.

### PART II

1. Arbitration/Reparation Claim initiated by: (Name of private plaintiff, firm, etc.)

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2. Principal Relief Sought (check appropriate item):

- Restraining Order
- Disgorgement
- Money Damages (Private/Civil Claim)
- Other \_\_\_\_\_
- Civil Penalty(ies)/Fine(s)
- Injunction
- Restitution

(continued)

**ARBITRATION DISCLOSURE REPORTING PAGE (ADV)**  
*(continuation)*

Other Relief Sought:

\_\_\_\_\_  
\_\_\_\_\_

3. Initiation Date of Arbitration/Reparation Claim (MM/DD/YYYY):   
 Exact       Explanation

If not exact, provide explanation: \_\_\_\_\_

4. Principal Product Type (check appropriate item):

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Annuity(ies) - Fixed    | <input type="checkbox"/> Derivative(s)                               | <input type="checkbox"/> Investment Contract(s)   |
| <input type="checkbox"/> Annuity(ies) - Variable | <input type="checkbox"/> Direct Investment(s) - DPP & LP Interest(s) | <input type="checkbox"/> Money Market Fund(s)     |
| <input type="checkbox"/> CD(s)                   | <input type="checkbox"/> Equity - OTC                                | <input type="checkbox"/> Mutual Fund(s)           |
| <input type="checkbox"/> Commodity Option(s)     | <input type="checkbox"/> Equity Listed (Common & Preferred Stock)    | <input type="checkbox"/> No Product               |
| <input type="checkbox"/> Debt - Asset Backed     | <input type="checkbox"/> Futures - Commodity                         | <input type="checkbox"/> Options                  |
| <input type="checkbox"/> Debt - Corporate        | <input type="checkbox"/> Futures - Financial                         | <input type="checkbox"/> Penny Stock(s)           |
| <input type="checkbox"/> Debt - Government       | <input type="checkbox"/> Index Option(s)                             | <input type="checkbox"/> Unit Investment Trust(s) |
| <input type="checkbox"/> Debt - Municipal        | <input type="checkbox"/> Insurance                                   | <input type="checkbox"/> Other _____              |

Other Product Types:

\_\_\_\_\_

5. Arbitration/Reparation Claim was filed with (NASD, AAA, NYSE, CBOE, CFTC, etc.) and Docket/Case Number:

\_\_\_\_\_

6. *Advisory Affiliate* Employing Firm when activity occurred which led to the arbitration/reparation (if applicable):

\_\_\_\_\_

7. Describe the allegations related to this arbitration/reparation (your response must fit within the space provided):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Current status?     Pending                       On Appeal                       Final

9. If on appeal, action appealed to (provide name of court) and Date Appeal Filed (MM/DD/YYYY):

\_\_\_\_\_  
\_\_\_\_\_





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## FORM ADV (Paper Version) UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

### PART 2: Uniform Requirements for the Investment Adviser *Brochure* and *Brochure Supplements*

#### General Instructions for Part 2 of Form ADV

Under SEC and similar state rules you are required to deliver to *clients* and prospective *clients* a *brochure* disclosing information about your firm. You also may be required to deliver a *brochure supplement* disclosing information about one or more of your *supervised persons*. Part 2 of Form ADV sets out the minimum required disclosure that your *brochure* (Part 2A for a firm *brochure*, or Appendix 1 for a *wrap fee program brochure*) and *brochure supplements* (Part 2B) must contain.

Read all the instructions, including General Instructions for Form ADV, General Instructions for Part 2 of Form ADV, Instructions for Part 2A of Form ADV, Instructions for Part 2B of Form ADV, and (if you are preparing or updating a *wrap fee program brochure*) Instructions for Part 2A Appendix 1 of Form ADV, before preparing or updating your *brochure* or *brochure supplements*.

1. **Narrative Format.** Part 2 of Form ADV consists of a series of items that contain disclosure requirements for your firm's *brochure* and any required supplements. The items require narrative responses. You must respond to each item in Part 2. You must include the heading for each item provided by Part 2 immediately preceding your response to that item and provide responses in the same order as the items appear in Part 2. If an item does not apply to your business, you must indicate that item is not applicable. If you have provided information in response to one item that is also responsive to another item, you may cross-reference that information in response to the other item.
2. **Plain English.** The items in Part 2 of Form ADV are designed to promote effective communication between you and your *clients*. Write your *brochure* and supplements in plain English, taking into consideration your *clients'* level of financial sophistication. Your *brochure* should be concise and direct. In drafting your *brochure* and *brochure supplements*, you should: (i) use short sentences; (ii) use definite, concrete, everyday words; (iii) use active voice; (iv) use tables or bullet lists for complex material, whenever possible; (v) avoid legal jargon or highly technical business terms unless you explain them or you believe that your *clients* will understand them; and (vi) avoid multiple negatives. Consider providing examples to illustrate a description of your practices or policies. The brochure should discuss only conflicts the adviser has or is reasonably likely to have, and practices in which it engages or is reasonably likely to engage. If a conflict arises or the adviser decides to engage in a practice that it has not disclosed, supplemental disclosure must be provided to clients to obtain their consent. If you have a conflict or engage in a practice with respect to some (but not all) types or classes of clients, advice, or transactions, indicate as such rather than disclosing that you "may" have the conflict or engage in the practice.
 

**Note:** The SEC's Office of Investor Education and Advocacy has published [A Plain English Handbook](#). You may find the handbook helpful in writing your *brochure* and supplements. For a copy of this handbook, visit the SEC's web site at [www.sec.gov/news/extra/handbook.htm](http://www.sec.gov/news/extra/handbook.htm) or call 1-800-732-0330.
3. **Disclosure Obligations as a Fiduciary.** Under federal and state law, you are a fiduciary and must make full disclosure to your *clients* of all material facts relating to the advisory relationship. As a fiduciary, you also must seek to avoid conflicts of interest with your clients, and, at a minimum, make full disclosure of all material conflicts of interest between you and your *clients* that could affect the advisory relationship. This obligation requires that you provide the client with sufficiently specific facts so that the client is able to understand the

conflicts of interest you have and the business practices in which you engage, and can give informed consent to such conflicts or practices or reject them. To satisfy this obligation, you therefore may have to disclose to *clients* information not specifically required by Part 2 of Form ADV or in more detail than the brochure items might otherwise require. You may disclose this additional information to *clients* in your *brochure* or by some other means.

4. Full and Truthful Disclosure. All information in your *brochure* and *brochure supplements* must be true and may not omit any material facts.
5. Filing. You must file your *brochure(s)* (and amendments) through the IARD system using the text-searchable Adobe Portable Document Format (“PDF”). See SEC rules 203-1 and 204-1 and similar state rules. If you are registered or are registering with the SEC, you are not required to file your *brochure supplements* through the IARD or otherwise. You must, however, preserve a copy of the supplements and make them available to SEC staff upon request. See SEC rule 204-2(a)(14). If you are registered or are registering with one or more *state securities authorities*, you must file a copy of the *brochure supplement* for each *supervised person* doing business in that state.

## Instructions for Part 2A of Form ADV: Preparing Your Firm Brochure

1. To whom must we deliver a firm brochure? You must give a firm *brochure* to each *client*. You must deliver the *brochure* even if your advisory agreement with the *client* is oral. See SEC rule 204-3(b) and similar state rules.

If you are registered with the SEC, you are not required to deliver your *brochure* to either (i) *clients* who receive only *impersonal investment advice* from you and who will pay you less than \$500 per year or (ii) *clients* that are SEC-registered investment companies or business development companies (the *client* must be registered under the Investment Company Act of 1940 or be a business development company as defined in that Act, and the advisory contract must meet the requirements of section 15(c) of that Act). See SEC rule 204-3(c).

**Note:** Even if you are not required to give a *brochure* to a *client*, as a fiduciary you may still be required to provide your *clients* with similar information, particularly material information about your conflicts of interest and about your disciplinary information. If you are not required to give a *client* a *brochure*, you may make any required disclosures to that *client* by delivery of your *brochure* or through some other means.

2. When must we deliver a brochure to clients?

- You must give a firm *brochure* to each *client* before or at the time you enter into an advisory agreement with that *client*. See SEC rule 204-3(b) and similar state rules.
- Each year you must (i) deliver, within 120 days of the end of your fiscal year, to each *client* a free updated *brochure* that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) deliver to each *client* a summary of material changes that includes an offer to provide a copy of the updated *brochure* and information on how a *client* may obtain the *brochure*. See SEC rule 204-3(b) and similar state rules.
- You do not have to deliver an interim amendment to *clients* unless the amendment includes information in response to Item 9 of Part 2A (disciplinary information). An interim amendment can be in the form of a document describing the material facts relating to the amended disciplinary event. See SEC rule 204-3(b) and similar state rules.

**Note:** As a fiduciary, you have an ongoing obligation to inform your *clients* of any material information that could affect the advisory relationship. As a result, between *annual updating amendments* you must disclose material changes to such information to *clients* even if those changes do not trigger delivery of an interim amendment. See General Instructions for Part 2 of Form ADV, Instruction 3.

3. May we deliver our brochure electronically? Yes. The SEC has published interpretive guidance on delivering documents electronically, which you can find at [www.sec.gov/rules/concept/33-7288.txt](http://www.sec.gov/rules/concept/33-7288.txt).
4. When must we update our brochure? You must update your *brochure*: (i) each year at the time you file your *annual updating amendment*; and (ii) promptly whenever any information in the *brochure* becomes materially inaccurate. You are not required to update your *brochure* between annual amendments solely because the amount of *client* assets you manage has changed or because your fee schedule has changed. However, if you are updating your *brochure* for a separate reason in between annual amendments, and the amount of *client* assets you manage listed in response to Item 4.E or your fee schedule listed in response to Item 5.A has become materially inaccurate, you should update that item(s) as part of the interim amendment. All updates to your *brochure* must be filed through the IARD system and maintained in your files. See SEC rules 204-1 and 204-2(a)(14) and similar state rules.
5. We are filing our annual updating amendment. The last brochure(s) that we filed does not contain any materially inaccurate information. Do we have to prepare a summary of material changes? No, as long as you

have not filed any interim amendments making material changes to the *brochure* that you filed with last year's *annual updating amendment*. If you do not have to prepare a summary of material changes, you do not have to deliver a summary of material changes or a *brochure* to your existing *clients* that year. See SEC rule 204-3(b). If you are a state-registered adviser, you should contact the appropriate *state securities authorities* to determine whether you must make an annual offer of the *brochure*.

6. Do we need to include the summary of material changes that we prepare in response to Item 2 with our annual updating amendment filing on IARD? Yes, you need to include the summary in your *annual updating amendment*. Item 2 permits you to include the summary as part of the *brochure* (on the cover page or the page immediately following the cover page) or to create a separate document containing the summary. If you include the summary as part of your *brochure*, the summary will be part of the *annual updating amendment* filing that you submit on IARD. If your summary of material changes is a separate document, you must attach the summary as an exhibit to your *brochure* and upload your *brochure* and the summary together in a single, text-searchable file in Adobe Portable Document Format on IARD for your *annual updating amendment*.

**Note:** If you include the summary of material changes in your *brochure*, and you revise or update your *brochure* between *annual updating amendments*, you should consider whether you should update the summary as part of that other-than annual amendment to avoid confusing or misleading *clients* reading the updated *brochure*.

7. We have determined that we have no clients to whom we must deliver a brochure. Must we prepare one? No, but see note to Instruction 1 above.
8. May we include a summary of the brochure at the beginning of our brochure? Yes. Although it is not required, you may choose to include a summary of the *brochure* at the beginning of your *brochure*. Such summary, however, may not substitute for the summary of material changes required by Item 2 of Part 2A.
9. We offer several advisory services. May we prepare multiple firm brochures? Yes. If you offer substantially different types of advisory services, you may opt to prepare separate *brochures* so long as each *client* receives all applicable information about services and fees. Each *brochure* may omit information that does not apply to the advisory services and fees it describes. For example, your *firm brochure* sent to your *clients* who invest only in the United States can omit information about your advisory services and fees relating to offshore investments. See SEC rule 204-3(e) and similar state rules. If you prepare separate *brochures* you must file each *brochure* (and any amendments) through the IARD system as required in SEC rules 203-1 and 204-1 and similar state rules.
10. We sponsor a wrap fee program. Is there a different brochure that we need to deliver to our wrap fee clients? Yes. If you *sponsor* a *wrap fee program*, you must deliver a *wrap fee program brochure* to your *wrap fee clients*. The disclosure requirements for preparing a *wrap fee program brochure* appear in Part 2A, Appendix 1 of Form ADV. If your entire advisory business is *sponsoring wrap fee programs*, you do not need to prepare a *firm brochure* separate from your *wrap fee program brochure(s)*. See SEC rule 204-3(d) and similar state rules.
11. We provide portfolio management services to clients in wrap fee programs that we do not sponsor. Which brochure must we deliver to these clients? You must deliver your *brochure* prepared in accordance with Part 2A (not Appendix 1) to your *wrap fee clients*. You also must deliver to these *clients* any *brochure supplements* required by Part 2B of Form ADV.
12. May we include information not required by an item in our brochure? Yes. If you include information not required by an item, however, you may not include so much additional information that the required information is obscured.
13. Item 18 requires us to give our clients an audited balance sheet. May any public accountant perform the audit? Your auditor must be independent. Article 2 of SEC Regulation S-X sets out the general rules for auditor

independence. Please note that these requirements may be different from the rules of professional organizations.

14. We are a new firm. Do we need a *brochure*? Yes. Respond to items in Part 2A of Form ADV based on the advisory services you propose to provide and the practices, policies and procedures you propose to adopt.
15. We are a “separately identifiable department or division” (SID) of a bank. Must our *brochure* discuss our bank’s general business practices? No. Information you include in your firm *brochure* (or in *brochure supplements*) should be information about you, the SID, and your business practices, rather than general information about your bank.

## Part 2A of Form ADV: Firm Brochure

### Item 1 Cover Page

- A. The cover page of your *brochure* must state your name, business address, contact information, website address (if you have one), and the date of the *brochure*.

**Note:** If you primarily conduct advisory business under a name different from your full legal name, and you have disclosed your business name in Item 1.B of Part 1A of Form ADV, then you may use your business name throughout your *brochure*.

- B. Display on the cover page of your *brochure* the following statement or other clear and concise language conveying the same information, and identifying the document as a “brochure”:

**This brochure provides information about the qualifications and business practices of [your name]. If you have any questions about the contents of this brochure, please contact us at [telephone number and/or email address]. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

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

- C. If you refer to yourself as a “registered investment adviser” or describe yourself as being “registered,” include a statement that registration does not imply a certain level of skill or training.

### Item 2 Material Changes

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

**Note:** You do not have to separately provide this information to a *client* or prospective *client* who has not received a previous version of your *brochure*.

### Item 3 Table of Contents

Provide a table of contents to your *brochure*.

**Note:** Your table of contents must be detailed enough so that your *clients* can locate topics easily. Your *brochure* must follow the same order, and contain the same headings, as the items listed in Part 2A.

### Item 4 Advisory Business

- A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

**Notes:** (1) For purposes of this item, your principal owners include the *persons* you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you

must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

- B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.
- C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of *clients*. Explain whether *clients* may impose restrictions on investing in certain securities or types of securities.
- D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.
- E. If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a *non-discretionary basis*. Disclose the date “as of” which you calculated the amounts.

**Note:** Your method for computing the amount of “*client* assets you manage” can be different from the method for computing “regulatory assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “*client* assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your *brochure* in response to this Item 4.E.

#### Item 5 Fees and Compensation

- A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

**Note:** If you are an SEC-registered adviser, you do not need to include this information in a *brochure* that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

- B. Describe whether you deduct fees from *clients*' assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.
- C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.
- D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.
- E. If you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.
  - 1. Explain that this practice presents a conflict of interest and gives you or your *supervised persons* an incentive to recommend investment products based on the compensation received, rather than on a *client's* needs. Describe generally how you address conflicts that arise, including your procedures for

disclosing the conflicts to *clients*. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.

2. Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.
3. If more than 50% of your revenue from advisory *clients* results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.
4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

**Note:** If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes.

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

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

#### Item 7 *Types of Clients*

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

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

- A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.
- B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
- C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.



Item 9 Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a *management person*
1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
  4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a *management person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.
- B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which your firm or a *management person*
1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
  2. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation and was the subject of an *order* by the agency or authority
    - (a) denying, suspending, or revoking the authorization of your firm or a *management person* to act in an *investment-related* business;
    - (b) barring or suspending your firm's or a *management person's* association with an *investment-related* business;
    - (c) otherwise significantly limiting your firm's or a *management person's* *investment-related* activities; or