Personnel, Licensing and Registration 1.00

Introduction

The *Investment Advisers Act of 1940 ("Act")* details some of the Firm's minimum responsibilities regarding the supervision of their investment adviser representatives. The Act addresses several topics regarding the oversight and supervision of the business activities and inspections of representatives. The immediacy of implementation, level and quality of overall supervision is paramount. It is the responsibility of the Firm to establish a proactive supervisory system that is reasonably designed to comply with all applicable federal and state rules and regulations as they pertain to conducting an investment advisory business.

1.01 Supervisory Personnel

Introduction to Supervision

The Firm shall be responsible for the supervision of all associated persons while employed with the Firm. Some of the responsibilities include general oversight and supervision of the business activities and inspections of associated persons. The immediacy of implementation, level, and quality of overall supervision is paramount.

With the construction of these procedures, the Firm shall establish and implement a proactive supervisory system that is reasonably designed to comply with all relevant and applicable federal, state rules and regulations governing investment adviser activities.

List of Registered and Supervisory Personnel

The Firm has drafted a master list of supervisory personnel detailing the names, registrations and effective dates of all designated supervisory for the Firm. The list of supervisors will be updated within a reasonable time period after the employment and/or termination of designated principals and/or supervisors (or other registered personnel) to reflect the current registered investment adviser count of the Firm. All designated principals and registered persons of the Firm shall be properly documented in writing as evidenced in the List of Supervisors and Registered Personnel

Note: Please see the Firm's List of Registered and Supervisory Personnel for further details.

1.02 Firm Registration Requirements

Section 203A of the Advisers Act, enacted in 1996 as part of the National Securities Markets Improvement Act ("NSMIA"), generally prohibits an investment adviser regulated by the state in which it maintains its principal office and place of business from registering with the SEC unless it has at least $25 million of assets under management, and preempts certain state laws regulating advisers that are registered with the SEC. This provision makes the states the primary regulators of smaller advisers and the Commission the primary regulator of larger advisers.

Section 410 of the Dodd-Frank Act creates a new category of "mid-sized advisers" and shifts primary responsibility for their regulatory oversight to the states by prohibiting from SEC registration an investment adviser that is required to be registered as an investment adviser in the state in which it maintains its principal office and place of business and that has assets under management between $25 million and $100 million. Unlike a small adviser, a mid-sized adviser must register with the SEC: (i) if the adviser is not required to be registered as an investment adviser with the securities commissioner (or any agency or office performing like functions) of the state in which it maintains its principal office and place of business; or (ii) if registered with that state, the adviser would not be subject to examination as an investment

adviser by that securities commissioner. Section 203A(c) of the Advisers Act, which was not amended by the Dodd-Frank Act, permits the SEC to exempt small and mid-sized advisers from the prohibitions on SEC registration, and we have adopted six exemptions for small advisers pursuant to this authority.

Transition to State Registration

The SEC has adopted rule 203A-5 to provide for an orderly transition to state registration for mid-sized advisers that will no longer be eligible to register with the SEC.

> *Existing Registrants.* Under the rule, *each* adviser registered with the SEC on January 1, 2012 must file an amendment to its Form ADV no later than March 30, 2012. These amendments will respond to new items in Form ADV and will identify mid-sized advisers no longer eligible to remain registered with the SEC. Mid-sized advisers that are no longer eligible for SEC registration must withdraw their registrations with the SEC after filing their Form ADV amendments by filing Form ADV-W no later than June 28, 2012. Mid-sized advisers registered with the SEC as of July 21, 2011 must remain registered with the SEC (unless an exemption from SEC registration is available) until January 1, 2012.
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> *New Applicants*. Until July 21, 2011, when the amendments to section 203A(a)(2) take effect, advisers applying for registration with the SEC that qualify as mid-sized advisers under section 203A(a)(2) of the Act may register with either the SEC or the appropriate state securities authority. Thereafter, all such advisers are prohibited from registering with the SEC and must register with the state securities authorities. We also note that advisers that have assets under management of $100 million or more will continue to register with the SEC (unless an exemption from registration with the SEC otherwise is available).

Amendments to Form ADV

SEC is adopting several amendments to Item 2.A. of Part 1A of Form ADV to reflect the new threshold for registration and the revisions we are making to related rules in response to the enactment of the Dodd-Frank Act. SEC is amending Item 2.A. to reflect the new statutory threshold for registration. Item 2.A. requires each adviser registered with the SEC (and each applicant for registration) to identify whether it is eligible to register with the SEC because it:

(i) is a large adviser that has $100 million or more of regulatory assets under management (or $90 million or more if an adviser is filing its most recent annual updating amendment and is already registered with the SEC):
(ii) is a mid-sized adviser that does not meet the criteria for state registration or is not subject to examination;
(iii) has its principal office and place of business in Wyoming (which does not regulate advisers) or outside the United States;
(iv) meets the requirements for one or more of the revised exemptive rules under section 203A;
(v) is an adviser (or subadviser) to a registered investment company;
(vi) is an adviser to a business development company and has at least $25 million of regulatory assets under management; or
(vii) (vii) received an order permitting the adviser to register with the SEC

Assets Under Management

In most cases, the amount of assets an adviser has under management will determine whether the adviser must register with the Commission or one or more states.

Switching Between State and Commission Registration

Rule 203A-1 is designed to prevent an adviser from having to switch frequently between state and SEC registration as a result of changes in the value of its assets under management or the departure of one or more clients. SEC is amending the rule to eliminate the current buffer for advisers that have assets under management between $25 million and $30 million that permits these advisers to remain regulated by the states, and we are replacing it with a similar buffer for mid-sized advisers. SEC is also retaining, as proposed, the requirement that eligibility for registration be determined annually as part of an adviser's annual updating amendment, allowing an adviser to avoid the need to change registration status based on fluctuations that occur during the course of the year. The amended rule provides a buffer for mid-sized advisers with assets under management close to $100 million to determine whether and when to switch between state and SEC registration. The rule raises the threshold above which a mid-sized investment adviser must register with the SEC to $110 million; but, once registered with the SEC, an adviser need not withdraw its registration until it has less than $90 million of assets under management.

Exemptions from the Prohibition on Registration with the Commission
Using the authority provided by section 203A(c) of the Advisers Act, the SEC is adopting, as proposed, amendments to three of the exemptions in rule 203A-2 from the prohibition on SEC registration in section 203A to reflect developments since their original adoption including the enactment of the Dodd-Frank Act, which are discussed below. Each of the exemptions (including those the SEC is not amending) also applies to mid-sized advisers, exempting them from the prohibitions on registering with the Commission if they meet the requirements of rule 203A-2.

Nationally Recognized Statistical Rating Organizations

SEC is eliminating, as proposed, the exemption in rule 203A-2(a) from the prohibition on SEC registration for nationally recognized statistical rating organizations ("NRSROs"). Since the SEC adopted this exemption, Congress amended the Act to exclude certain NRSROs from the Act's definition of "investment adviser" and provided for a separate regulatory regime for NRSROs under the Securities Exchange Act of 1934 ("Exchange Act").

Pension Consultants

SEC is amending rule 203A-2(b), the exemption available to pension consultants, to increase the minimum value of plan assets required to rely on the exemption from $50 million to $200 million.

Multi-State Advisers

SEC is adopting, as proposed, amendments to the multi-state adviser exemption to align the rule with the multi-state exemption that Congress provided for mid-sized advisers in section 410 of the Dodd-Frank Act. Amended rule 203A-2(d) permits all investment advisers who are required to register as an investment adviser with 15 or more states to register with the SEC, rather than 30 states, as currently required.

Elimination of Safe Harbor

SEC is rescinding, as proposed, rule 203A-4, which has provided a safe harbor from SEC registration for an investment adviser that is registered with the state securities authority of the state in which it has its principal office and place of business based on a reasonable belief that it is prohibited from registering with the SEC because it does not have sufficient assets under management.

Mid-Sized Advisers

SEC is amending Form ADV to require a mid-sized adviser registering with the SEC to affirm, upon application and annually thereafter, that it is either: (i) not required to be registered as an adviser with the

state securities authority in the state where it maintains its principal office and place of business; or (ii) is not subject to examination as an adviser by that state. These form revisions implement the Dodd-Frank Act amendment to section 203A of the Advisers Act that prohibits mid-sized advisers from registering with the SEC, but only: (i) if the adviser is required to be registered as an investment adviser with the securities commissioner (or any agency or office performing like functions) of the state in which it maintains its principal office and place of business; and (ii) if registered, the adviser would be subject to examination as an investment adviser by such commissioner, agency, or office (advisers with their principal office and place of business in Minnesota, New York and Wyoming with assets under management between $25 million and $100 million must register with the SEC). ▶▶

Implementation Strategy

The Firm is considered a large adviser that currently maintains $100 million or more of regulatory assets under management (or $90 million or more on filing its most recent annual updating amendment while already registered with the SEC).. Therefore, the Firm is registered with the SEC and noticed filed with all appropriate state regulatory agencies in each state in which it plans to conduct an investment advisory business. Each state notice filing is reflected on Part 1 of Form ADV as filed through the IARD system.

1.03 Definition of "Investment Adviser Representative" (IAR)

In accordance with *SEC Rule 203A-3(a),* the definition of an Investment Adviser Representative (IAR) includes any individual meeting one of the two following criteria:

Any partner, officer, director or any person performing similar functions employed by or associated with the Firm (except for clerical or administrative personnel) who:

- shall make recommendations regarding securities;
- will manage accounts or portfolios of clients;
- will determine what advice should be given;
- may solicit the sale of or sell investment advisory services (unless incidental to his or her profession); or,
- will supervise employees who perform any of the foregoing;

(or)

A supervised person, more than 10 percent of whose clients are natural persons. Supervised persons who do not regularly meet with advisory clients or who provide only impersonal investment advice are excluded from the definition.

The Firm may also refer to an Investment Adviser Representative as an Advisory Affiliate ("AA") in this Manual and in other documents such as the Investment Advisory Agreement and the Form ADV Part 2A/B.

Advisory Affiliates covered by the Firm's registration will be providing investment supervisory services or management of investment advisory accounts. These services may also be called by other names such as money management or asset allocation. This registration also covers Advisory Affiliates referring clients to third party money managers.

Some Advisory Affiliates under this registration will prepare comprehensive or segmented financial plans, investment plans, and/or individual consultations regarding a client's financial affairs.

1.04 State Licensing and Registration Requirements

State Requirements

The Firm may have to register as an Investment Adviser in some or all of the states in which it conducts business or maintains an office. In addition, all relevant investment adviser representatives of the Firm may have to be registered, licensed or otherwise qualified in those states where they have offices or clients.

Restrictions

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 registered.

Qualification Requirements for Investment Adviser Representatives

Each investment adviser representative or associated person thereof shall qualify by passing the requisite investment adviser or other industry examinations. An investment adviser and each IAR or associated person thereof must:

(1) have successfully passed the Series 65/Uniform Investment Adviser Law Examination ("Series 65 Examination") or the Series 66/Uniform Combined State Law Examination ("Series 66 Examination"), both of which are administered by the Financial Industry Regulatory Authority (FINRA), within two years prior to the date of filing the application for an investment adviser's certificate or becoming engaged as an investment adviser representative or associated person, AND either:

(A) have successfully passed the Series 7/General Securities Representative Examination, which is administered by FINRA, within two years prior to the date of filing the application for an investment adviser's certificate or becoming engaged as an investment adviser representative or associated person, or

(B) maintain, in good standing, one of the following designations:

- Chartered Financial Analyst ("CFA");
- Chartered Financial Consultant ("ChFC");
- Certified Financial Planner ("CFP");
- Chartered Investment Counselor ("CIC");
- Personal Financial Specialist ("PFS"); or

(2) have been actively and continuously engaged in the securities business as a broker/dealer, an agent of a broker/dealer, an investment adviser, or an investment adviser representative or associated person, or has been employed in a similar capacity in the banking or insurance industries, without substantial interruption since passing the qualifying examination(s). ▶▶

Implementation Strategy

It is the responsibility of the Firm's designated supervisor to be familiar and aware of all relevant registration requirements in which the Firm operates and to ensure that the Firm and its IARs are properly registered, licensed and qualified to conduct business pursuant to all applicable federal and state securities laws.

NOTE: California Code of Regulations section 260.236 subsection (b)(2)(A) has a

waiver of the Series 65/66 examination requirements for the following:
Any investment adviser or investment adviser representative who has been actively and continuously engaged in the securities business as a broker-dealer, an agent of a broker-dealer, an investment adviser, or an investment adviser representative without substantial interruption (two or more years) since passing the qualifying examination(s) and who has passed the Series 7 Examination before January 1, 1998. Additionally, subsection (c)(3) exempts any individual who currently holds one of the following professional designations from the examination requirement:
(A) Chartered Financial Analyst ("CFA") granted by the Association for Investment Management and Research;
(B) Chartered Financial Consultant ("ChFC") awarded by The American College, Bryn Mawr, Pennsylvania;
(C) Certified Financial Planner ("CFP") issued by the Certified Financial Planner Board of Standards, Inc.;
(D) Chartered Investment Counselor ("CIC") granted by the Investment Counsel Association of America; or
(E) Personal Financial Specialist ("PFS") administered by the American Institute of Certified Public Accounts.

Many of the Firm's IA representatives registered in California are not required to take the Series 65/66 qualification examination based on the aforementioned waivers and exemptions.

1.05 Investment Adviser Registration Depository (IARD)

The SEC and the state securities authorities have created an electronic filing system, the IARD, through which investment advisers make filings with the SEC and the states over the Internet. FINRA will operate the IARD under contract with the SEC and the North American State Securities Administrators (NASAA). FINRA will be responsible for certain ministerial tasks as the operator of the IARD, but will not act as a self-regulatory organization for advisers.

1.06 Form ADV

In accordance with *Rule 203-1,* each investment adviser registered with the SEC is required to file Form ADV through the IARD. Additionally, *Rule 204-1* requires each registered adviser to file amendments to the Form ADV through the IARD at least annually. The Form ADV contains five parts as described below.

Part 1A of Form ADV

Part 1A of Form ADV asks a number of questions about the Firm, the Firm's business practices the persons who own and control the Firm and the persons who provide investment advice on behalf of the Firm. Part 1A also contains several schedules that supplement Part 1A. These are:

Schedule A- requests information about the Firm's direct owners and executive officers

Schedule B- requests information about the Firm's indirect owners.

Schedule C- this schedule is used to update the information required by Schedules A and B.

Schedule D- requests additional information for certain items in Part 1A.

DRPs- these Disclosure Reporting Pages ask for details about disciplinary events involving the Firm or *persons* affiliated with the Firm.

Item 1 Identifying Information

Effective October 1, 2017, all investment advisers filing Form ADV must use a revised version of Form ADV. The revisions to Form ADV were adopted by the SEC on August 25, 2016 in order to enhance the reporting and disclosure of information by investment advisers. The revised Form ADV Part 1A replaces the previous Form ADV Part 1A and contains new, different, and revised items. ALL investment advisers filing an initial Form ADV or a Form ADV amendment (annual updating amendment or other-than-annual amendment) will be required to provide responses to the form revisions adopted in the rulemaking (including all new and amended questions), beginning on October 1, 2017. See Release No. IA-4509; File No. S7-09-15

The adopted revisions to Part 1A of Form ADV address three areas: (1) revisions to fill certain data gaps and to provide additional information about investment advisers, including their separately managed account business; (2) amendments to incorporate a method for private fund adviser entities operating a single advisory business to register with us using a single Form ADV; and (3) clarifying, technical and other amendments to existing items and instructions.

The following is a list of Form ADV Part 1 Amendments:

Part 1A Item 1(B)(2) (Identifying Information)— was added for investment adviser firms that are using this Form ADV to register more than one investment adviser under an umbrella registration. The information in Item 1 should be provided for the filing adviser only. Also, a Schedule R must be completed for each relying adviser.

Part 1A Item 1(D)(3)— was added for investment adviser firms that have one or more Central Index Key numbers assigned by the SEC (“CIK Numbers”),

Part 1A Item 1(E)(1) & (2)— was added for investment adviser firms that have additional CRD numbers assigned by FINRA’s CRD system or by the IARD system.

Part 1A Item 1(F)(5)— was added to determine the total number of offices, other than the principal office and place of business, at which the investment adviser firm conducts investment advisory business as of the end of its most recently completed fiscal year. For firms that are applying for SEC registration, are registered only with the SEC, or are reporting to the SEC as an exempt reporting adviser, firs are required to list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year on Item 1(F) of Schedule D.

Part 1A Item 1(I)— was amended to determine whether investment adviser firms maintain one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn). For firms maintaining a website and/or social media presence, firms must list all firm website addresses and the address for each of the firm’s accounts on publicly available social media platforms on Section 1.I. of Schedule D.

Part 1A Item 1(J)(1)&(2)— was amended to include the Chief Compliance Officer’s contact information and whether they are compensated or employed by any person other than the employer firm, a related person or an investment company registered under the Investment Company Act of 1940 that the firm advises for providing chief compliance officer services to the firm. If yes, required information includes the person’s name and IRS Employer Identification Number (if any).

Part 1A Item 1(O)— was amended to include the approximate amount of an investment adviser firm’s assets on the last day of your most recent fiscal year if they exceed $1 billion or more. For purposes of Item 1.O. only, “assets” refers to your total assets, rather than the assets you

manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

Part 1A Item 2 (SEC Registration)— was amended to include the statement, “If you are filing an umbrella registration, the information in Item 2 should be provided for the filing adviser only.”

Part 1A Item 3 (Form of Organization)— was amended to include the statement, “If you are filing an umbrella registration, the information in Item 3 should be provided for the filing adviser only.”

Part 1A Item 4 (Successions)— was amended to determine whether the investment adviser, at the time of the filing, is succeeding to the business of a registered investment adviser, including, for example, a change of investment adviser firm’s structure or legal status (e.g., form of organization or state of incorporation).

Part 1A Item 5(C)(1) (Information About Your Advisory Business)— was amended to determine the approximate number of clients for whom the investment adviser firm did not have regulatory assets under management yet provided investment advisory services during your most recently completed fiscal year.

Part 1A Item 5(D)(1) (Information About Your Advisory Business)— was amended to indicate the approximate number of an investment adviser firm’s clients and amount of its total regulatory assets under management (reported in Item 5.F.) attributable to each of the following type of client. If an investment adviser firm has fewer than 5 clients in a particular category (other than (d), (e), and (f)) it may check Item 5.D.(2) rather than respond to Item 5.D.(1). The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c). If a client fits into more than one category, select one category that most accurately represents the client to avoid double counting clients and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Part 1A Item 5(F)(3) (Regulatory Assets Under Management)— was amended to determine the approximate amount of an investment adviser firm’s total regulatory assets under management (reported in Item 5.F.(2)(c)) attributable to clients who are non-United States persons.

Part 1A Item 5(I)(1) (Advisory Activities)— was added to determine that for investment adviser firms that participate in a wrap fee program, they must disclose the amount of their regulatory assets under management attributable to acting as sponsor to a wrap fee program, portfolio manager for a wrap fee program or sponsor to and portfolio manager for the same wrap fee program.

Part 1A Item 5(J)(2)— was added to determine whether investment adviser firms report client assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute their regulatory assets under management.

Part 1A Item 5(K)(1)— was added to determine whether investment adviser firms have regulatory assets under management attributable to clients other than those listed in Item 5.D.(3)(d)-(f) (separately managed account clients).

Part 1A Item 5(K)(2)— was added to determine whether investment adviser firms engage in borrowing transactions on behalf of any of the separately managed account clients that they advise.

Part 1A Item 5(K)(3)— was added to determine whether investment adviser firms engage in derivative transactions on behalf of any of the separately managed account clients that they advise.

Part 1A Item 5(K)(4)— was added to determine whether any investment adviser firm custodian holds ten percent or more of the remaining amount of regulatory assets under management After subtracting the amounts in Item 5.D.(3)(d)-(f) from your total regulatory assets under management.

In accordance with the new combined marketing Rule 206(4)-1 (“Marketing Rule”), Item 5 of Form ADV Part 1A was amended to improve information available to the SEC and the public about advisers' marketing practices. Item 5 currently requires an adviser to provide information about its advisory business. The newly added Subsection L (“Marketing Activities”) requires information about an adviser's use in its advertisements of performance results, testimonials, endorsements, third-party ratings, and references to its specific investment advice. Ref. Investment Adviser Marketing Rule Update (Release No. IA-5653; File No. S7-21-19; effective date May 4, 2021 and a compliance date 18 months from the effective date (November 2022).

Part 1A Item 7(B) (Financial Industry Affiliations and Private Fund Reporting)— was added for investment advisers to any private fund, that if the investment adviser firm is registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if the investment adviser firm is a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. Investment adviser firms must, instead, complete Section 7.B.(2) of Schedule D.

Part 1A Item 8(B)(2) (Participation or Interest in Client Transactions/ Sales Interest in Client Transactions)— was added to determine whether the investment adviser firm or any related person recommend to advisory clients, or act as a purchaser representative for advisory clients with respect to, the purchase of securities for which you or any related person serves as underwriter or general or managing partner

Part 1A Item 8(H)(1)— was added to determine whether the investment adviser firm or any related person, directly or indirectly, compensate any person that is not an employee for client referrals.

Part 1A Item 8(H)(2)— was added to determine whether the investment adviser firm or any related person, directly or indirectly, provide any employee compensation that is specifically related to obtaining clients for the firm (cash or non-cash compensation in addition to the employee’s regular salary.

Part 1A Item 8(I)— was added to determine whether the investment adviser firm or any related person, including any employee, directly or indirectly, receive compensation from any person (other than you or any related person) for client referrals.

Item 1 Corresponding Schedules

Schedule D Section (1)(F) (Other Offices)— was amended to determine if this office location is also required to be registered with FINRA or a state securities authority as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR). And if so, the number of employees performing investment advisory functions and other business activities conducted at each office location.

Schedule D Section (1)(I) (Website Addresses)— was amended to include a list website addresses, including addresses for accounts on publicly available social media platforms where the investment adviser firm controls the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). Investment Adviser firms must complete a separate Schedule D Section 1.I. for each website address or account on a publicly available social media platform.

Schedule D Section (2)(A)(9) (Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days)— was amended to confirm that by relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, investment adviser firm are required to make certain representations about your eligibility for SEC registration.

Schedule D Section (4) (Successions)— was amended to include additional information for investment adviser firms that are succeeding to the business of a currently registered investment adviser, including a change of your structure or legal status (e.g., form of organization or state of incorporation).

Schedule D Section (5)(G)(3) (Advisers to Registered Investment Companies and Business Development Companies)— was amended to determine the regulatory assets under management of all parallel managed accounts related to a registered investment company (or series thereof) or business development company that the investment adviser firm advises.

Schedule D Section (5)(K)(1) (Separately Managed Accounts)— was added to include specific instructions that after subtracting the amounts reported in Item 5.D.(3)(d)-(f) from the investment adviser firm's total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least $10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than $10 billion in regulatory assets under management, complete Question (b).

Schedule D Section (5)(K)(2) (Separately Managed Accounts - Use of Borrowings and Derivatives)— was added to determine if an investment adviser firm's regulatory assets under management attributable to separately managed accounts are at least $10 billion, the firm should complete Question (a). If its regulatory assets under management attributable to separately managed accounts are at least $500 million but less than $10 billion, it should complete Question (b).

Schedule D Section (5)(K)(3) (Custodians for Separately Managed Accounts)— was added for investment adviser firms to complete a separate Schedule D Section 5.K.(3) for each custodian that holds ten percent or more of its aggregate separately managed account regulatory assets under management.

Schedule R— was added for investment adviser firms that are using this Form ADV to register more than one investment adviser under an umbrella registration.

Implementation Strategy

To the extent applicable, the designated supervisor, or a designated outside consultant will complete and file all required information contained in the revised/updated Part 1A of Form ADV through the IARD system as referenced above.

Part 1B of Form ADV

Part 1B of Form ADV asks additional questions required by state securities authorities. Part 1B contains three DRPs. In the event that an investment advisor firm is currently registered with the SEC, the firm is not required to complete Part 1B. However, if an investment adviser firm is registered with one or more state regulatory agencies, it is required to complete Part 1B.

Part 2A of Form ADV (Brochure)

Part 2 of Form ADV consists of a series of items that contain disclosure requirements for an investment adviser firm's brochure and any required supplements. The items require narrative responses. Investment adviser firms must respond to each item in Part 2. Investment adviser firms must include the heading for each item provided by Part 2 immediately preceding each 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 an investment adviser business, a statement must be included to indicate that item is not applicable. If an investment adviser has provided information in response to one item that is also responsive to another item, the investment adviser may cross-reference that information in response to the other item.

The Part 2A of Form ADV must include the following items:

Item 1 Cover Page
Item 2 Material Change
Item 3 Table of Contents
Item 4 Advisory Business
Item 5 Fees and Compensation
Item 6 Performance-Based Fees and Side-By-Side Management
Item 7 Types of Clients
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss
Item 9 Disciplinary Information
Item 10 Other Financial Industry Activities and Affiliations
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
Item 12 Brokerage Practices
Item 13 Review of Accounts
Item 14 Client Referrals and Other Compensation
Item 15 Custody
Item 16 Investment Discretion
Item 17 Voting Client Securities
Item 18 Financial Information
Item 19 Requirements for State-Registered Advisers

Part 2A Appendix 1 (Wrap fee program brochure)

If an investment adviser firm sponsors a wrap fee program, the investment adviser must give a wrap fee program brochure to each client of the wrap fee program.

The Part 2A Appendix 1 of Form ADV must include the following items:

Item 1 Cover Page
Item 2 Material Changes
Item 3 Table of Contents
Item 4 Services, Fees and Compensation
Item 5 Account Requirements and Types of Clients
Item 6 Portfolio Manager Selection and Evaluation
Item 7 Client Information Provided to Portfolio Managers
Item 8 Client Contact with Portfolio Managers
Item 9 Additional Information
Item 10 Requirements for State-Registered Advisers

Part 2B (Brochure Supplements)

Investment advisers must prepare a brochure supplement for the following supervised persons:

(i) Any supervised person who formulates investment advice for a client and has direct client contact; and

(ii) Any supervised person who has discretionary authority over a client's assets, even if the supervised person has no direct client contact. See SEC rule 204-3(b)(2) and similar state rules.

The Part 2B of Form ADV must include the following items:

Item 1 Cover Page
Item 2 Educational Background and Business Experience
Item 3 Disciplinary Information
Item 4 Other Business Activities
Item 5 Additional Compensation
Item 6 Supervision
Item 7 Requirements for State-Registered Advisers (If applicable) ▶▶

Implementation Strategy

The designated supervisor of the Firm will file all information contained in Part 1 of Form ADV through the IARD system on an annual basis. Additionally, the Firm will prepare and promptly update any/all material information on the Part 2A/B of Form ADV and deliver such documents to all current and potential clients as required.

Regulation Best Interest (Reg BI)

On June 5, 2019, the SEC adopted a package of rules and interpretations governing the standards of conduct of broker-dealers and investment advisers and their associated persons, along with related disclosure requirements.

- Regulation Best Interest ("Regulation BI") establishes a code of conduct for broker-dealers when making recommendations to retail customers.

- Registered broker-dealers and registered investment advisers will be required to provide a standardized relationship summary to retail investors on Form CRS.
- The SEC published an interpretation of the standard of conduct for investment advisers under the Investment Advisers Act of 1940 ("Advisers Act").
- The SEC also published an interpretation of Section 202(a)(11)(C) of the Advisers Act, which excludes from the definition of "investment adviser" any broker-dealer that provides advisory services when such services are "solely incidental" to the conduct of the broker-dealer's business

Form CRS Relationship Summary

The SEC has adopted rule and form amendments to require registered investment advisers and registered broker-dealers to provide a brief relationship summary to retail investors. The relationship summary is intended to inform retail investors about:

(i) the types of client and customer relationships and services the firm offers;
(ii) the fees, costs, conflicts of interest, and required standard of conduct associated with those relationships and services;
(iii) whether the firm and its financial professionals currently have reportable legal or disciplinary history; and
(iv) how to obtain additional information about the firm.

The relationship summary will have a standardized question-and-answer format and must be no longer than two pages (four pages for dual registrants). Under certain standardized headings, firms will generally use their own wording to address the required topics. Firms are encouraged to use graphics, hyperlinks, and electronic formats. If a firm uses electronic formats, there are requirements for embedded hyperlinks to facilitate layered disclosure.

The relationship summary is designed to help retail investors select or determine whether to remain with a firm or financial professional by providing better transparency and summarizing in one place selected information about a particular broker-dealer or investment adviser. The format of the relationship summary is intended to allow for comparability among the two different types of firms in a way that is distinct from other required disclosures

The relationship summary includes prescribed wording to describe the standard of conduct applicable to investment advisers and broker-dealers. In contrast to the proposed Form CRS, the standard of conduct is described as a "best interest" standard in all cases

Investment advisers must deliver a relationship summary to each new or prospective client who is a retail investor before or at the time of entering into an investment advisory contract with the retail investor. Broker-dealers must deliver the relationship summary to each new or prospective customer who is a retail investor before or at the earliest of (i) a recommendation of an account type, a securities transaction, or an investment strategy involving securities; (ii) placing an order for the retail investor; or (iii) the opening of a brokerage account for the
retail investor. Broker-dealers and investment advisers must update the relationship summary and file it within 30 days whenever any information in it becomes materially inaccurate, and any changes must be communicated to existing clients or customers within 60 days.

Fiduciary Duty Interpretation

The SEC has issued an interpretive release on the standard of conduct for investment advisers under the Advisers Act. The release brings together in one place the SEC's views on the fiduciary duty that investment advisers owe their clients.

The interpretation explains that an investment adviser's obligation to act in the best interest of its client is an overarching principle that encompasses both the duty of care and the duty of loyalty. This fiduciary duty is made enforceable by the antifraud provisions of the Advisers Act. The fiduciary duty may not be waived, although it will apply in a manner that reflects the agreed-upon scope of the relationship, and the relationship may be shaped by agreement, provided that there is full and fair disclosure and informed consent

An adviser's fiduciary duty applies to all investment advice the investment adviser provides to clients, including advice about investment strategy, engaging a sub-adviser, and account type. The interpretive release clarifies that account type includes "advice about whether to roll over assets from one account (e.g., a retirement account) into a new or existing account that the adviser or an affiliate of the adviser manages."

Adviser may satisfy its duty of loyalty by making full and fair disclosure of conflicts of interest and obtaining the client's informed consent. The SEC stated that the requirement to obtain informed consent "does not require advisers to make an affirmative determination that a particular client understood the disclosure and that the client's consent to the conflict of interest was informed. Rather, disclosure should be designed to put a client in a position to be able to understand and provide informed consent to the conflict of interest. *A client's informed consent can be either explicit or, depending on the facts and circumstances, implicit.*"

Nonetheless, the interpretation, as adopted, still takes the position that there are some conflicts that cannot be cured through disclosure without providing examples of what such conflicts might be. In particular, the interpretation states that some conflicts "may be of a nature and extent that it would be difficult to provide disclosure to clients that adequately conveys the material facts or the nature, magnitude, and potential effect of the conflict sufficient for a client to consent to or reject it," particularly with regard to retail clients where "it may be difficult to provide disclosure regarding complex or extensive conflicts that is sufficiently specific, but also understandable." In such instances, the interpretation makes clear that disclosure alone is not sufficient, and the adviser should either eliminate the conflict or adequately mitigate it.

Compliance Date

The fiduciary duty and "solely incidental" interpretations will be effective upon publication in the Federal Register. Regulation BI and Form CRS generally will have a compliance date of June 30, 2020. ▶▶

Implementation Strategy

The designated supervisor of the Firm will ensure that the Firm has prepared and is distributing existing clients and/or prospective clients a Form CRS Relationship Summary that will provide a brief relationship summary covering the following areas: (i) the types of client and customer relationships and services the firm offers; (ii) the fees, costs, conflicts of interest, and required standard of conduct associated with those relationships and services; (iii) whether the firm and its financial professionals currently have reportable legal or disciplinary history; and (iv) how to obtain additional information about the firm.

Form ADV Part 3/Customer Relationship (Form CRS)

Filing & Delivery Requirements

- The Firm will file Form ADV, Part 3 (Form CRS) electronically with the Investment Adviser Registration Depository (IARD). The Firm will also file its Form CRS using a text-searchable format with machine-readable headings (Item 7.A.(i) of Instructions)

- The Firm will deliver a relationship summary to each retail investor before or at the time you enter into an investment advisory contract with the retail investor. The Firm will also deliver the relationship summary even if its agreement with the retail investor is oral. See Advisers Act rule 204-5(b)(1). (Item 7(B)(i) of Instructions)
- The Firm may deliver your relationship summary to new or existing retail investors before the compliance date. If the Firm chooses to deliver a relationship summary to retail investors in advance of the compliance date, the Firm generally will: (i) post the relationship summary on your firm's public website as described in General Instruction 10 to Form CRS; (ii) comply with the updating and related delivery requirements of General Instructions 8 and 9 to Form CRS; and (iii) file its relationship summary with the SEC (FAQs on Form CRS)
- The Firm will electronically file its initial relationship summary beginning on May 1, 2020 and by no later than June 30, 2020 either as: (1) an other-than-annual amendment or (2) part of your initial application or annual updating amendment. See Advisers Act rules 203-1 and 204-1 (Item 7.C.(i).a of Instructions)
- As of the date by which the Firm is first required to electronically file its relationship summary with the SEC, the Firm will begin to deliver its relationship summary to new and prospective clients and customers who are retail investors as required by Instruction 7.B. See Advisers Act rule 204-5 (Item 7.C(iii) of Instructions)
- Within 30 days after the date by which the Firm is first required to electronically file its relationship summary with the SEC, the Firm will deliver its relationship summary to each of its existing clients and customers who are retail investors. See Advisers Act rule 204-5 and Exchange Act rule 17a-14 (Item 7.C(iv) of Instructions)
- The Firm will update its relationship summary and file it within 30 days whenever any information in the relationship summary becomes materially inaccurate (Item 8.A of Instructions)
- The Firm will communicate any changes in the updated relationship summary to retail investors within 60 days after the updates are required to be made and without charge (Item 8.B of Instructions)
- Each amended relationship summary that is delivered to a retail investor will highlight the most recent changes by marking the revised text or including a summary of material changes. The additional disclosure showing revised text or summarizing the material changes will be attached as an exhibit to the unmarked amended relationship summary (Item 8.C of Instructions)
- The Firm will deliver the most recent relationship summary to a retail investor before or at the time you: (i) open a new account that is different from the retail investor's existing account(s); (ii) recommend that the retail investor roll over assets from a retirement account into a new or existing account or investment; or (iii) recommend or provide an investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account, for example, the first-time purchase of a direct-sold mutual fund or insurance product that is a security through a "check and application" process, i.e., not held directly within an account (Item 9.A of Instructions)
- The Firm will deliver the relationship summary to a retail investor within 30 days upon the retail investor's request (Item 9.B of Instructions)
- The Firm will post the current version of the relationship summary prominently on its public website, if applicable, in a location and format that is easily accessible for retail investors (Item 10.A of Instructions)
- The Firm will deliver the relationship summary electronically, including updates, consistent with SEC guidance regarding electronic delivery, in particular Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information (Item 10.B of Instructions)
- When the relationship summary is delivered electronically, it must be presented prominently in the electronic medium, for example, as a direct link or in the body of an email or message, and must be easily accessible for retail investors (Item 10.C of Instructions)

- When the relationship summary is delivered in paper format as part of a package of documents, the relationship summary will be the first among any documents that are delivered at that time (Item 10.D of Instructions).
- The Firm will deliver the relationship summary separately, in a bulk delivery to clients, or as part of the delivery of information that the firm already provides, such as the annual Form ADV update, account statements or other periodic reports. The Firm will initially deliver its relationship summary to each of its existing clients and customers who are retail investors within 30 days after the date by which you are first required to electronically file your relationship summary with the SEC (FAQs on Form CRS)

Implementation Strategy

To meet the filing and delivery requirements, the designated supervisor will ensure that the Firm has submitted its initial relationship summary electronically through IARD before the compliance due date.

Electronic Delivery- On a going forward basis, the Firm will deliver a relationship summary to each retail investor before or at the time the Firm enters into an investment advisory contract with the retail investor.

Hardcopy Delivery- The Firm will provide its relationship summary primarily through electronic means. However, in the event that the Firm provides its relationship summary in hardcopy format, the relationship summary will be the first among any documents that are delivered at that time for prominent display.

Material Updates- The Firm's designated supervisor will review the Form CRS periodically for any material changes and will update its relationship summary and file it within 30 days whenever any information in the relationship summary becomes materially inaccurate. Further, the Firm will communicate any changes in the updated relationship summary to retail investors within 60 days after the updates without charge.

Requests- In the event that a retail customer requests a copy of the Firm's relationship summary, the Firm will deliver the relationship summary within 30 days upon the retail investor's request.

Public Posting- the Firm's relationship summary is made available on the Firm's website as well as the IAPD website upon submitting current/updating copies to IARD.

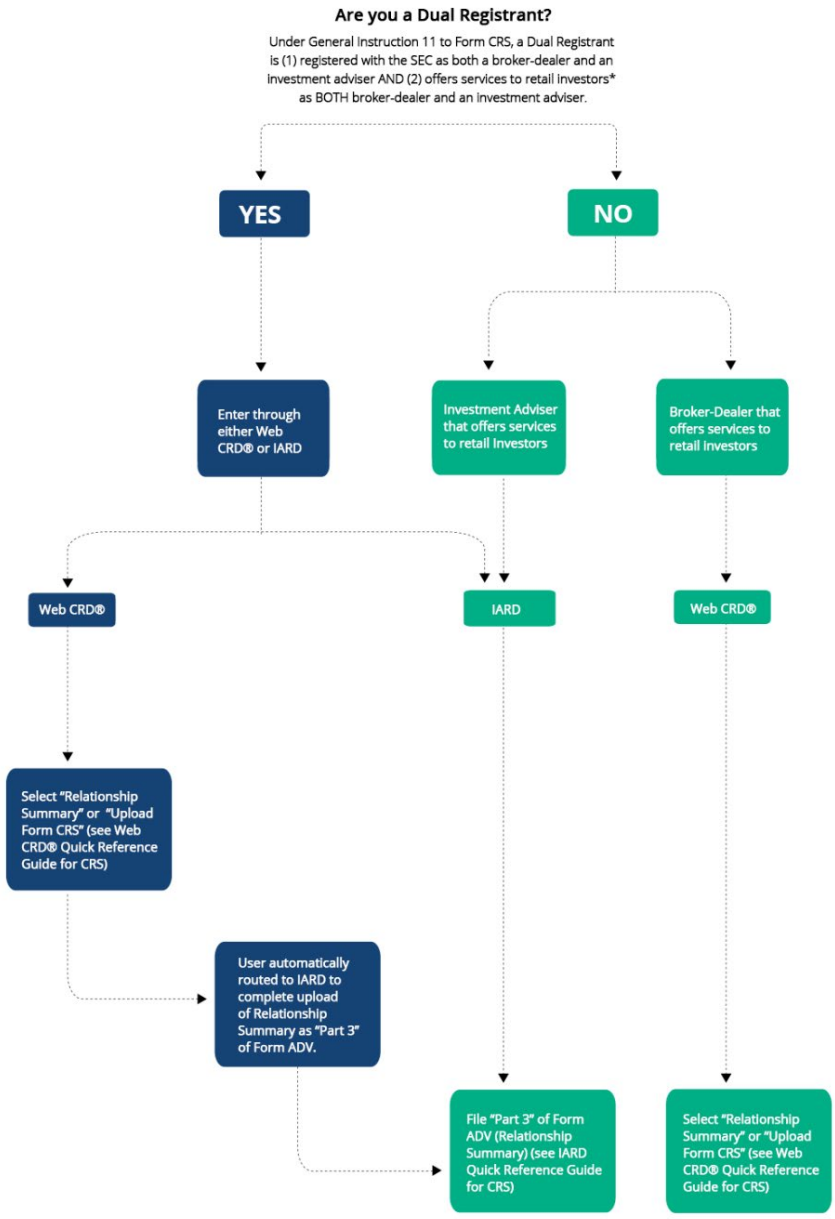
Recordkeeping Requirements

- The Firm will maintain its Form ADV Part 3/Form CRS in accordance with Advisers Act rule 204-2(a)(14)(i).

Note: See Exhibit 6.01 Books and Records Requirements for further details on books and records requirements.

Form CRS Filing Workflow for Dual Registrants

FINRA provides a simplified overview and workflow of the steps that investment advisers and broker-dealers will take to file their relationship summaries through Web CRD® and IARD:



1.07 Review and Updating of Form ADV

It is the responsibility of the Designated Supervisor to review the Form ADV on an ongoing basis to ensure that all information is current and accurate. Material changes to the Form ADV Part 1, must be filed with the SEC through the IARD in a timely manner (within 30 days).

Material Changes

In addition to the annual updating amendment, the Designated Supervisor is responsible for promptly filing additional amendments in the event that:

- information provided in response to Items 1, 3, 9, or 11 of Part 1A or Items 1, 2.A. through 2.F., or 2.I. of Part 1B become inaccurate in any way;

- information provided in response to Items 4, 8, or 10 of Part 1A or Item 2.G. of Part 1B becomes *materially* inaccurate; or

- Investment advisers must update their brochure: (i) each year at the time the investment adviser files its annual updating amendment; and (ii) promptly whenever any information in the brochure becomes materially inaccurate. Investment advisers are not required to update their brochure between annual amendments solely because the amount of client assets they manage has changed or because their fee schedule has changed. However, if investment advisers are updating their brochure for a separate reason in between annual amendments, and the amount of client assets investment advisers manage listed in response to Item 4.E or an investment adviser's fee schedule listed in response to Item 5.A has become materially inaccurate, investment advisers should update that item(s) as part of the interim amendment. All updates to a brochure must be filed through the IARD system and maintained along with investment adviser files. See SEC rules 204-1 and 2042(a)(14) and similar state rules.

Annual Renewal

The Firm must file an annual updating amendment of Part 1 through the IARD system within ninety days after its fiscal year-end. This amendment to the Firm's Form ADV reaffirms the eligibility information contained in Item 2 of Part 1A and acts to update the responses to any other item for which the information is no longer accurate. It is the responsibility of the Designated Supervisor to file or cause the filing of the annual updating amendment.

Filing Part 2A/B through IARD

Investment advisers must file their 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. In the event that investment advisers are registered or are registering with the SEC, they are not required to file their brochure supplements through the IARD or otherwise. Investment advisers must, however, preserve a copy of the supplements and make them available to SEC staff upon request. See SEC rule 204-2(a)(14). For investment adviser that are registered or are registering with one or more state securities authorities, they must file a copy of the brochure supplement for each supervised person doing business in that state.

Filing Fees

The designated supervisor of the Firm will also be responsible for maintaining required capital balances through the IARD system to facilitate the payment of annual registration fees for the Firm and its investment adviser representatives and certain renewal fees as they are due. ►►

Implementation Strategy

The designated supervisor of the Firm will promptly update any/all material information on Part 1 & 2A/B of Form ADV within 30 days or as otherwise required, and any annual updating amendments within 90 days of the Firm's fiscal year-end or as otherwise required.

1.08 Withdrawal from SEC Registration (Form ADV-W)

If at any time the Firm is required to withdraw from registration with the SEC it will do so by filing electronically the Form ADV-W through the IARD. The withdrawal will be effective upon filing. The Form ADV-W will also permit the firm to request "partial withdrawal" to omit certain items that are not required from the Firm if it is continuing in the business as a state-registered adviser. ►►

Implementation Strategy

In the event that the Firm is required to withdrawal from registration with either the SEC or appropriate state regulatory agencies, the designated supervisor of the Firm will promptly file a full or partial withdrawal on a Form ADV-W through the IARD system as required.

1.09 Financial and Regulatory Reporting

Balance Sheet

In the event that an investment adviser firm has custody of client funds or securities (other than having authorization to deduct advisory fees), an audited balance sheet must be filed within ninety (90) days of the firm's fiscal year-end. The balance sheet must be: (1) prepared in accordance with generally accepted accounting principles GAAP); (2) audited by an independent public accountant; and (3) accompanied by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity

Other Federal Filings

If the Firm has significant assets under management it may be subject to the reporting requirements under certain provisions of the *Securities Exchange Act of 1934*. Important sections of the *1934 Act*, include:

- Section 13(d) -Five percent beneficial ownership;
- Section 13(f) -Institutional investment managers;
- Section 13(g) -Passive institutional investors; and
- Section 16 - Directors, officers, and greater than 10% owners of publicly held companies. ►►

Implementation Strategy

Not applicable. The Firm does not maintain custody of customer funds.

1.10 Employment Procedures

The Firm has established certain policies and procedures regarding the employment and termination process of its investment adviser representatives. The following information provides a brief description of the Firm's policies and procedures as they relate to the employment process:

Uniform Application for Securities Industry Registration or Transfer (Form U-4)

The Firm acknowledges that it is the responsibility of each investment adviser representative to provide accurate and prompt information on his/her Form U-4. Any new information such as required updates, amendments or revisions concerning a registered representative's Form U-4 will be sent to the employer firm as specified by federal, state and other regulatory agency guidelines. The designated supervisor shall be responsible for determining if certain complaint or disciplinary incidents will require an amendment of the form.

Application Registration

The designated principal or other authorized supervisor of the Firm will ensure that all records of its registered persons are kept current at all times. The designated principal of the Firm will amend records for its registered representatives no later than thirty (30) days after discovery of an event or circumstance that requires such amendments. If such an event or circumstance is egregious enough to warrant a statutory disqualification as defined in *Section 3(a)(39)* and *15(b)(4) of the Act*, the designated principal or other authorized supervisor of the Firm will file such amendments within ten (10) days.

Interview Process

As a potential employer, The Firm and/or designated supervisor will thoroughly interview all potential candidates for employment to obtain a comprehensive overview of each potential employee. The interview process should be able to effectively address such issues as prior work history and relevant experience, disclosure of any customer complaints and/or regulatory action in connection with a securities business, as well as any pending contractual or other obligations that may be material in consideration for employment.

Background and Due Diligence Review

The designated supervisor or other authorized supervisor shall conduct an appropriate background review of each potential employee prior to making an application for registration on behalf of that individual with the Firm. If any investment adviser representative is currently, or was previously employed by a broker/dealer in the capacity of a registered securities representative, the Firm's will conduct an initial background review using the Central Registration Depository (CRD) system. However, the Firm will obtain the permission of each registered person by requesting written authorization prior to conducting such a review.

The purpose of the background and due diligence review conducted through the CRD system and/or other means shall be to identify the existence of customer complaints, regulatory action, or any other relevant material in connection with a securities business. In the event that an applicant has been previously registered with a FINRA member firm, the designated principal or other authorized supervisor will obtain a copy of the registered representative's Form U5 from the applicant or the applicant's former employer no later than sixty (60) days following the filing of the application to FINRA (if applicable).

Fingerprints

If required by the state in which the Firm is registered, the designated supervisor or other authorized supervisor of the Firm shall record and maintain fingerprints of all registered persons, on authorized fingerprint cards, as set forth in *SEC Rule 17f-2.* The Firm shall obtain a properly completed and imprinted fingerprint card for each investment adviser representative. The designated principal or other authorized supervisor shall retain all employee fingerprint cards for the Firm's files and submit a fingerprint card to the Attorney General of the United States or its designee for identification and appropriate processing. Certain exemptions to this requirement apply under *SEC Rule 17f-2(1).* The designated supervisor or other authorized supervisor of the

Firm shall be responsible for determining if a permissive exemption applies to individual registered representatives on a circumstantial basis. ►►

Implementation Strategy

The designated supervisor shall be responsible for the overall review of Form U4's, fingerprint cards (if applicable), background reviews, and employment applications. Final review and approval of prospective employees, as well as, completion and filing of all documents will be at the discretion and responsibility of the designated supervisor. No fingerprint cards are necessary for the Firm's investment adviser representatives at this time.

1.11 Termination Procedures

The Firm has established certain policies and procedures regarding the employment and termination process of its registered representatives. The following information provides a brief description of the Firm's policies and procedures as they relate to the termination process:

Uniform Termination Notice for Securities Industry Registration (Form U-5)

The designated supervisor of the Firm will be responsible for filing each investment adviser representative's Form U-5 with the Central Registration Depository (CRD) within thirty (30) days of the date of termination. It is the responsibility of the Firm to also ensure that all forwarding U-5 Forms are properly completed with all of the necessary and accurate information prior to sending such documents to CRD. In addition to forwarding the Form to CRD, the Firm is also responsible for forwarding a copy of the Form U-5 to the former employee. The designated principal or other authorized supervisor of the Firm are also responsible for determining if certain complaint or disciplinary incidents are to be reported of the form. All such forms will be copied and retained at the Firm.

Termination of Registration

Upon terminating a registered person from the Firm, the designated supervisor of the Firm will be responsible for giving notice within thirty (30) days of termination to FINRA. Such notification shall be made in such method as the SEC or other relevant state regulatory agencies may prescribe.

Notification of Termination by Investment Adviser Representative

In the event that an investment adviser representative terminates employment from the Firm, a designated supervisor is responsible for immediately notifying the compliance department or other designated department for prompt processing of such notification. All relevant termination information, such as employee name, date of termination, status and type (voluntary or otherwise) will be recorded and maintained at the Firm.

Account Reassignments/Notifications

For investment adviser representative terminations, accounts of the terminated representative will be reassigned to other investment adviser representatives at the Firm unless otherwise noted. Any additional requests will be forwarded to the compliance department or other designated department for further consideration and review.

Filing of Form U-5

The designated supervisor of the Firm shall be responsible for filing a Form U-5 for each investment adviser representative who is terminated from the Firm. A Form U-5 will also be submitted to the former employee within thirty (30) days of the date of termination. ►►

Implementation Strategy

The designated supervisor will be responsible for all steps of the termination process described above, and shall review all Form U-5's for the Firm. Final review and approval of the termination of employees as well as the completion and filing of all documents will be at the discretion and responsibility of the designated supervisor.

1.12 Statutorily Disqualified Personnel

The Firm acknowledges that as a result of a possible suspension or revocation of a license or registration, some registered persons may be subject to statutory disqualifications pursuant to *Section 3(a)(39)* and *19(b)(4)* of the *Securities Exchange Act of 1934*. It is the Firm's discretion to employ and/or continue the employment of any registered person who is subject to the aforementioned rules unless otherwise specified by the Firm. ►►

Implementation Strategy

The Firm may consider the employment of an investment adviser representative who is the subject of a statutory disqualification pursuant to *Section 3(a)(39)* and *19(b)(4)* of the *Securities Exchange Act of 1934*. However, the Firm will consider all relevant facts and circumstances which surround such statutory disqualification before rendering its decision regarding potential employment.