Feltl Advisors

A REGISTERED INVESTMENT ADVISOR

COMPLIANCE MANUAL

AND

WRITTEN SUPERVISORY PROCEDURES

August 19, 2021

CRD# 165244
SEC# 801-77347

10900 Wayzata Boulevard, Suite 200
Minnetonka, MN 55305

TO FELTL ADVISORS ASSOCIATED PERSONS*:

As a Registered Investment Adviser, Feltl Advisors (the "Firm" and/or "FA") is subject to federal and state laws and regulations governing its business of providing investment management and advisory services to individuals and companies. These laws and regulations stem principally from the **Investment Advisers Act of 1940**. This Investment Adviser Compliance and Procedures Manual (the "IA Manual") is designed to provide FA employees and independent contractors with the basic rules and policies for FA's business.

As you go through the IA Manual, I hope you will find it to be a common sense source for the ground rules of our business. The IA Manual will be updated from time to time to reflect regulatory changes and changes in our business. **As a matter of practice all published Compliance Alerts are adopted as part of the IA Manual.**

Any questions you may have about the IA Manual should be directed to me. After you have read this manual in its entirety, please sign and return to me the acknowledgement that appears on the next page of this manual.

Sincerely,

Dirk Van Krevelen
Chief Compliance Officer
Feltl Advisors

***NOTE:** *Unless otherwise indicated, the terms "Associated Person," "Investment Advisor Representative" (or "IAR"), and "Employee," may be used interchangeably in this IA Manual, and such terms include both "employees" and "independent contractors" who hold either the Series 65 or 66 licenses, and depending on the context, to those employees who provide sales or operational support for FA's RIA business.*

FELTL ADVISORS RECEIPT AND ACKNOWLEDGMENT

- The undersigned individual acknowledges that he/she has received and read FA's IA Manual, and understands the policies and procedures contained in the IA Manual; and
- That he/she agrees to abide by these policies and procedures, including any future amendments.

Name (Please Print):_____

Signature: _____

Date:_____

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SECTION 1: ORGANIZATION AND RESPONSIBILITIES

1.1 Written Supervisory Procedures – Annual Review and Reporting

As of October 5, 2004, new SEC Rule 206(4)-7 became effective, requiring all SEC registered advisers to (a) adopt and implement written policies and procedures reasonably designed to prevent and detect violations of the securities laws and rules by the adviser and its supervised persons, (b) review no less frequently than annually the adequacy of the policies and procedures and the effectiveness of their implementation and (c) designate a "Chief Compliance Officer" ("CCO") who is a supervised person responsible for administering the policies and procedures. The written supervisory procedures set forth in this manual are designed to comply with that rule.

The CCO must be someone who is both competent and knowledgeable regarding federal securities laws and empowered with full responsibility and authority to develop and enforce appropriate policies and procedures for the firm. This person must also have full responsibility for all compliance personnel as well as overall responsibility for the firm's compliance program. Lastly, the CCO must be vested with sufficient seniority and authority within the organization to compel others to follow the firm's compliance policies and procedures.

FA hereby designates Dirk Van Krevelen as its CCO.

Qualifications. The CCO must have the following professional qualifications:

- FINRA Series 65 or 66 examinations, and
- FINRA Series 24 examination, and
- Sufficient experience to serve in a high-level managerial capacity.

Rule 206(4)-7 requires that the annual review of Firm policies and procedures consider any compliance matters that arose during the previous year, any changes in the business activities of the adviser or its affiliates, and any changes in the Advisers Act or applicable regulations that might suggest a need to revise the policies or procedures.

In addition to Rule 206(4)-7, Section 203(e)(5) of the Advisers Act has for some time contained a **"safe harbor" for investment advisers and supervisors** from SEC sanctions for "failure to supervise" if:

- The adviser establishes procedures that would reasonably be expected to prevent and detect violations of the federal securities laws;
- The adviser has in place a system for applying the procedures;
- The supervisor has reasonably discharged his or her supervisory responsibilities; and
- The supervisor has no reason to believe the person was not complying with the procedures and system.

1.2 FA Internal Controls

In addition to the requirement of written supervisory procedures, Rule 206(4)-7 requires that SEC registered advisers have in place a set of internal controls to implement these procedures. The

internal controls are designed to provide clear standards by which disciplinary measures may be taken internally in the event of a violation, including disciplinary interviews, special review or training, written communications that go on the employee's record, fines or suspension/reassignment or termination of employment and/or referral to regulatory authorities. The firm's establishment and ongoing review and testing of its internal controls will be designed with the following objectives in mind:

- Meeting all relevant regulatory deadlines;
- Reviewing the firm's compliance obligations from a "risk based" perspective;
- Documenting the actual workflows present in the firm's operations;
- Demonstrating that the written supervisory procedures and internal controls that have been implemented properly address the risks present in firm operations and, upon testing and reviews, reasonably attempt to fill any potential gaps uncovered;
- Creation of books and records demonstrating compliance with Rule 206(4)-7, including testing methodologies and any issues detected and resolved ("red flags");

1.3 Staffing Chart

The individuals currently responsible for exercising the responsibilities set forth in the IA Manual are listed in the **Staffing Chart below.**

FA STAFFING CHART

Name	Title(s)	Location(s) Where Person Regularly Conducts Business	Designated Supervisor
John Feltl	CEO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Mary Jo Feltl	President	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Dirk Van Krevelen	CCO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mary Jo Feltl, President
David Rigazio	CFO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mary Jo Feltl, President
Mitch Edwards	COO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mary Jo Feltl, President
Debra Palfi	Operations Manager	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mitch Edwards, COO

Name	Title(s)	Location(s) Where Person Regularly Conducts Business	Designated Supervisor
Paula Sweigert	Retirement Accounts	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mitch Edwards, COO
Brennan Olson	Director of IT	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mitch Edwards, COO

1.4 Supervision

The IA Manual sets forth written procedures by which FA supervises its activities. In addition, it describes the supervisory system in place to oversee the implementation of the procedures.

1.4.1 Supervisory Review System

FA's Supervisory System has the following general components:

- Designation of responsible supervisory personnel
- Description of review process
- Documentation of reviews
- Monitoring performance of automated compliance systems
- Monitoring effectiveness of supervisory personnel
- Monitoring adequacy of outside service provider compliance
- Description of steps to remedy deficiencies
- Procedure updates to reflect rule changes
- Retaining records of past procedures

1.4.2 Qualifications of Supervisory Personnel

When designating supervisory personnel and responsibilities, FA shall ensure that each Principal shall have proper licensing and employment qualifications. The CEO is responsible for hiring or appointing designated supervisors. In doing so, the CEO must determine that supervisors understand and can effectively conduct their requisite responsibilities. In this regard, the Company will consider the experience the supervisor possesses and determine that the individual is qualified by experience or that it is necessary to arrange training to ensure the person is qualified to supervise. In addition, the performance and effectiveness of supervisory personnel will be reviewed no less than annually to ensure continued qualification.

1.4.3 Overall Supervision

Each Associated Person of FA is assigned to an appropriate officer of the Company who shall be responsible for supervising that person's activities. For a full list of Associated Persons, please see Appendix A.

The CCO implements the following procedures:

- All Associated Persons have access to a current copy of this manual;
- Periodic review and amendment of this manual if and when applicable;
- Any new insertions are available to all manual owners;
- Proper licensing of all personnel in the jurisdictions where required;
- Periodic compliance meetings to cover new topics and review areas of concern;
- Periodic review of:

    - The adequacy and completeness of the supervisory procedures in the light of current operational and regulatory climate; and
    - The compliance of advisory personnel with the supervisory procedures.

1.4.4 Supervision of Personnel

The CCO, or designated Principal, is responsible for supervising the compliance operations of the firm, including, but not limited to, the following functions:

- Determine that each person employed in the business is properly qualified, licensed and registered (if applicable) to perform the function assigned;
- Confirm that the licensing and registration requirements for the firm have been met and are being currently maintained;
- Report to the regulatory authorities all changes in Form U-4, IAR, and other filings required;
- Interview all prospective Associated Persons and review the required information prior to accepting them as Associated Persons of the firm;
- Periodically review all personal accounts and personal trading of FA employees;
- Conducting a Billing Review of all new accounts to ensure that fees are in line with the on file fee agreement.
- Review and approve all communications with customers;
- Supervise access of personnel to firm and customer records and files;
- Review and approve advertising and electronic communications;
- Review outside business activities of Associated Persons; and
- Supervise compliance with SEC rules on solicitation payments.

Details of these reviews are further described throughout the IA Manual in the sections related to oversight of specific activities. Feltl has also designated a Branch Office Manager ("BOM") and/or designated Principal for the direct supervision of all IAR. In turn all BOM's and /or designated Principals are supervised as to compliance matters by the CCO.

The chart below identifies the Firm's supervisors, title, location of supervision, and licenses held. Compliance shall maintain a list of all associated persons and their designated supervisor.

Supervisor	Title	Location	License(s)
John Feltl	CEO	Minnetonka, MN	7, 24, 63, 65
Mary Jo Feltl	President	Minnetonka, MN	7, 24, 63
David Rigazio	CFO & FINOP	Minnetonka, MN	27

Dirk Van Krevelen	CCO	Minnetonka, MN	4, 7, 24, 55, 66, 87
Mitchell Edwards	COO	Minnetonka, MN	4, 7, 24, 53, 55, 66, 87
Brennan Olson	Director of IT	Minnetonka, MN	N/A
Debra A. Palfi	Operations Manager	Minnetonka, MN	N/A

1.4.5 Sub-Advisers

Advisers may utilize the services of third-party sub-advisers to provide investment advisory services on a contract basis. The relationship with the sub-adviser will be properly disclosed in the adviser's brochure and Form ADV. Where the sub-adviser performs management services for a customer of the adviser, a copy of the Sub-Adviser's Form ADV Part II or brochure will be delivered to the customer prior to assigning the sub-adviser to manage the customer's account.

FA has entered into sub-advisory relationships with the following adviser and/or asset management programs:

RBC CS
EnvestNet
Mount Yale Capital

To ensure continued due diligence, FA will maintain an up to date file on each of the listed sub-advisors. This file will include performance reports, ADVs of the sub-advisor, and other information readily obtainable by FA.

1.4.6 Associated Persons

Section 202(a)(17) of the Advisers Act defines a "person associated with an investment adviser" (an "Associated Person") as any partner, officer, director of the adviser and any person "directly or indirectly controlling or controlled by such investment adviser, including any employee of such investment adviser."

Section 203(c)(1) of the Advisers Act imposes statutory disqualifications on advisers and Associated Persons, including willful false filings, convictions within 10 years prior for securities felonies or misdemeanors, violations of antifraud statutes, permanent or temporary injunction against service as an adviser, aiding or abetting in violations, failure to supervise, and SEC suspension or bar orders.

It is FA's responsibility to make reasonable inquiry of prospective Associated Persons or to make sure that they are not subject to statutory disqualification and to disclose any adverse information to the regulators. The CCO will be responsible for making such inquiries and investigating any issues that may arise during the hiring process.

1.4.7 Investment Adviser Representatives (IARs)

Most state investment adviser laws and regulations require separate registration of "investment adviser representatives" (IARs). The SEC has no requirements for separate registration of IARs. State IAR definitions vary widely and state laws and regulations will be carefully checked prior to conducting advisory business in any new jurisdictions. In general, **an IAR is any individual (whether or not an employee) who provides investment advisory services on behalf of an investment adviser.** Typically, states will require at least one IAR registration in addition to FA's own registration before it can do business in that state. FA is responsible for having procedures in place that require IARs to register in any jurisdictions where they do business. IARs are prohibited from conducting business in jurisdictions where the firm is not appropriately registered and/or notice filed or there is possibly a de minimis exemption available.

CCO is responsible for ensuring that all FA IARs are appropriately qualified and licensed to offer advisory services in the jurisdictions in which FA is registered.

The rules imposed by the states for IAR registration vary. See www.nasaa.org for a directory of state addresses and websites. Most states require that the IAR obtain a FINRA Series 65 or 66 qualification plus a demonstration of some prior industry experience. Registration of IARs is handled through the IARD system and most states use FINRA Form U-4 as a basic application form. Registrations require a fee, as do the annual renewals. Some states require additional documents to properly register IARs.

Solicitors. Under many state laws and regulations, persons who solicit customers for new accounts and receive referral or other compensation in this connection are required to register as IARs**.** Advisers should take care to verify the registration status of persons who do not themselves render investment advice but who do "solicit" on behalf of the firm. This generally includes professionals such as financial planners, accountants or attorneys that refer business to the adviser in exchange for compensation. These persons are not formally required to be disclosed in Form ADV Part II of the RIA, because they do not themselves render any investment advice. Many states, however, require that these persons register as IARs if they are receiving compensation for their solicitation efforts.

FA currently does not work with or compensate solicitors. If this policy should change in the future, CCO will be responsible for ensuring that solicitors are appropriately registered with the state (where applicable).

Administrative Personnel. Care should be taken with administrative and other personnel who have contact with customers to make sure that their activities do not require them to register as IARs. CCO is responsible for reviewing job descriptions for administrative personnel and ensuring that their jobs do not include duties or functions that may require IAR registration.

1.4.8 Dual Licensing

All persons registered as IARs of FA are also registered as Registered Representatives (RR) with Feltl and Company an affiliated registered broker-dealer ("BD"). FA does not allow its RRs to be dually registered with any BDs that are not affiliated with FA.

1.4.9 Hiring and Registration Process

The CCO is responsible for obtaining and maintaining required Associated Person or IAR registration of personnel. New associated persons may not work in a capacity that requires registration until they successfully fulfill all registration requirements. The CCO will be consulted in advance of each new position and will identify to the appropriate manager which positions require specific registration(s).

At the time of application for employment, FA will obtain the following for each person required to register:

- Application for employment (includes authorizations)
- Reference checks (if needed)
- Personnel questionnaire
- Criminal and Financial Background Check
- CRD/IARD record (if any).

1.4.10 Annual Personnel Review

The designated Branch Office Manager ("BOM") or designated Principal is responsible for an annual review of each Associated Person or IAR contracted with FA. The BOM or designated Principal will refer to the CCO any concerns that arise as a result of such review. The annual review may include any of the following:

- Ascertaining that applicable license information is current and that all licenses have been renewed;
- Review of qualifications/responsibilities to determine if changes/upgrades are necessary;
- Review of specific education, training and compliance issues; and/or
- Review of activities related to business conducted outside FA and personal securities accounts;
- Monitoring Advisor accounts for drift from customer objectives or suitability;
- Ensure that IARs are meeting with customers on an annual basis, as part of the review the BOM or designated Principal will require IARs to submit the completed annual risk questionnaire they are required to complete when meeting with customers for their annual review;
- Review of Daily Trade Blotter of all Financial Advisors affiliated with FA;
- Other items as relevant to the individual.

During the course of supervising advisors, the BOM or designated Principal will have continuous interactions with FA Compliance. FA Compliance will be responsible for providing "on the job" training to the BOM or designated Principal. If needed, FA will also consider training through third party providers.

1.5 Correspondence Review

FA's Associated Persons may communicate with their customers in person, by telephone, by regular mail (through FA), or by email (through FA). **Associated Persons may *not* use text**

messaging, instant messaging, social networks, outside email accounts (non FA email accounts), or similar methods to communicate with customers about anything that could be deemed business related. FA requires that a principal review and approve all outgoing correspondence and sales literature before use. Typically, this task is performed by the Associated Person's BOM and/or designated Principal. A record of such approval will be maintained in a branch correspondence file.

FA also requires that all incoming correspondence of any kind, including personal letters addressed to Associated Persons, must be opened and reviewed by a principal (or his/her designee) before being distributed to the Associated Person. This review should focus particularly on the receipt of funds of securities by Associated Persons, and on any customer dissatisfaction or complaints.

1.6 E-Mail Review

The SEC treats e-mails like other business correspondence. FA must review both incoming and outgoing e-mails on a regular basis. All emails pass through FA's email surveillance system. The respective principal reviews the mail with a focus on the emails that have flagged off the firm's lexicon list. If the principal identifies a problematic email or one that may be of concern, the message may be marked with a violation and/or the principal may contact the respective associated person involved with the specific email(s). The principal will discuss the matter with the Associated Person involved in the communication, and if appropriate, with FA's Compliance Department, who may take action as deemed appropriate.

All emails are stored in "WORM" format (Write Once, Read Many) on a server at FA's email service provider, Smarsh, Inc., and are available to FA for quick retrieval at any time. The CCO is responsible for prompt retrieval of any email pursuant to regulatory requests.

1.7 Disciplinary Actions

FA takes its responsibilities seriously to review employee activities to detect and deter conduct that is, or could become, a violation of these procedures. All employees are required to report any suspected violations of these procedures to the CCO. Employees should know that they may be asked to explain, informally or otherwise, their conduct. If further investigation reveals a problem, FA may take further action, including placing the individual(s) involved under heightened supervision or restrictions, imposing internal penalties, including canceling an improper employee securities trade disgorgement of ill-gotten profits or, if warranted, suspension or dismissal. In certain cases, the existence of violations may need to be disclosed to the SEC and/or state authorities with the consequent requirement that Form ADV be amended as well as the CRD/IARD registrations on Form U-4 of the individuals involved. Corrective action may, in addition, involve unwinding improper customer trades and other remedial action to make the customer whole.

SECTION 2: FILINGS AND DISCLOSURE TO CUSTOMERS; THE CUSTOMER AGREEMENT

2.1 Investment Adviser (RIA) Registration and Reporting

2.1.1 Form ADV – Filing and Updating

The CCO is responsible for obtaining and maintaining RIA registration for FA. Registration is accomplished by filing **SEC Form ADV,** a copy of which can be found, together with filing instructions, on the SEC website, www.sec.gov.

Electronic Filing. Form ADV is in two parts. Part I contains general information about the adviser and is filed electronically with the SEC through the Investment Adviser Registration Depository (IARD) System. Instructions for this filing require the registrant to log on the SEC website (www.sec.gov), obtain an IARD registration number and pay a filing fee. Part 2A is FA's Firm Brochure and Part 3 is the Customer Relationship Summary (or Form CRS). Both brochures are filed electronically with the SEC and are provided to customers and potential customers. Part 2B of Part II contains individual biographical and disciplinary information concerning Associated Persons who service specific customer accounts. Part 2B is provided to customers and potential customers, but is not filed with the SEC. However, current and historical copies of Part 2B must be retained by the CCO and made available to regulators upon request.

Information is available to the public on the Investment Adviser Registration Depository ("IARD") website (www.adviserinfo.sec.gov). The IARD Users Manual is available online, and personal help may be obtained by calling the IARD help desk at (240) 386-4848.

Annual ADV Updating Amendment. An Annual Updating Amendment to Form ADV Part I must be filed with the SEC and with any state that requires it, together with the required filing fees, within ninety (90) days of the end of each fiscal year. SEC and state-registered advisers filed on IARD are required to amend Form ADV Parts I and II and III electronically on IARD, which now contains the eligibility information, formerly required by the annual Schedule I filing, for both new advisers applying for SEC registration and existing SEC advisers. If there are material changes during the course of the year that require an amendment to the ADV, the CCO is responsible for making sure that such amendments are made in a timely manner. Form CRS must be amended or revise and filed with IARD within 30 days of any information becoming materially inaccurate. Amended or revised versions of Form CRS must be delivered within 60 days of change to each retail investor who is a current client or prospect of the firm.

2.1.2 Form U-4

Advisory representatives must inform the CCO of all changes that could require an amendment to Form U-4. Typically, this will be a change of home address, a married name (versus a maiden name), outside business activity, and any disciplinary matter.

2.2 Disclosure to Customers

The following sections deal with required disclosures to customers. Many of the disclosures required below can be accomplished by electronic means with the customer's prior written consent, a copy of which must be retained in the customer's records.

2.2.1 Risk Disclosure

In managing or overseeing a portfolio of customer assets, FA and its employees should exercise great care to make sure that the customer is aware of the specific risks of each distinct investment practice that will be used to a significant degree. FA's Firm Brochure

contains clear risk disclosures that Associated Persons should review with customers before embarking on any investment strategy. Furthermore, if the proposed investments or investment strategies carry potential risks that are greater than, or materially different from, those risks discussed in the aforementioned brochures, the Associated Person should be sure to discuss those risks with the customer as well.

In addition, SEC Regulation Best Interest (Reg BI), which had a compliance/enforcement date of June 30, 2020, requires the delivery of the previously mentioned Form CRS to client and prospective clients before or at the time they enter an investment advisory contract with a retail investor. Form CRS is intended to inform retail investors about:

- The types of client/customer relationships and services the firm offers:
- Fees, costs, conflicts of interest, and required standards of conduct associated with those relationships and services;
- Whether the firm and its financial professionals currently have reportable legal or disciplinary history;
- How to obtain additional information about the firm.

FA opted for a dual registrant Form CRS which includes required information about both Feltl Advisors (Investment Advisor) and affiliated Feltl and Company (Broker-Dealer).

2.2.2 Financial and Disciplinary Disclosure

Rule 206-4(4) requires that an adviser "promptly" disclose to customers and prospective customers:

- A financial condition that is reasonably likely to impair the ability of the adviser to meet contractual commitments to customers.
- A legal or disciplinary event that is material to an evaluation of the adviser's integrity or ability to meet contractual commitments to customers.

For Existing Customers: This disclosure must be made by an e-mail or written communication that can be archived.

For New Customers: This disclosure may be included in the "brochure" provided to customers or prospects and in any case must be made "promptly" to customers and to prospects at least 48 hours before entering into any contract (or the time of entering into the contract if the customer can terminate without penalty within five (5) business days).

Legal or Disciplinary Event. The Rule requires advance disclosure of any of the following events involving the adviser or a "Management Person":

1 Criminal or civil conviction in which the adviser or Management Person (a) was convicted or pleaded *nolo contendere* to a felony or misdemeanor or is the named subject of a pending criminal proceeding and such action involved an investment-related business fraud, false statements or omissions, wrongful taking of property or bribery, forgery, counterfeiting or extortion, or (b) was found to have been involved in a violation of an investment-related statute or regulation, or (c) was the subject of any order, judgment or decree permanently or temporarily enjoining or otherwise limiting the adviser or Management Person from engaging in any investment-related activity;

2 Administrative proceedings before the SEC or other agency in which such adviser or Management Person was (a) found to have caused an investment-related business to lose its authorization to do business, or (b) 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 denying, suspending or revoking the authorization of the adviser or Person to act, or barring or suspending the adviser or Person's association with an investment-related business, or otherwise significantly limiting the adviser or Person's investment-related activities; or

3 Self-regulatory organization proceedings in which the adviser or Person was found to have been involved in a violation of the rules and was barred or suspended from membership or was fined more than $2,500 or otherwise significantly limited in their investment activities.

A "Management Person" is any person with the power to exercise, directly or indirectly, a controlling influence over the management or policies of the adviser or to determine the investment advice given to customers. The CCO is responsible for ensuring FA is in compliance with the disclosure and notification provisions of Rule 206(4)-4. Existing customers will receive such notification via e-mail or regular mail.

Evaluation of Financial and Criminal Disclosures:

The CCO will also be responsible for approving the final copy of the Advisor's Part 2B disclosure, before it is given to potential customers. The CCO will also incorporate the following practices when determining if an activity of an associated person needs to be disclosed on the Part 2B.

- Any legal judgment or arbitration award must be disclosed in Item 3 of Part 2B.
- Incomplete customer complaints will not be disclosed until the issue has been resolved; at that point the CCO will follow SEC guidance on proper disclosure of the complaint.
- Personal Bankruptcies will not be disclosed on the Part 2B.
- Disclosure of any settlements will be at the discretion of the CCO. He will evaluate the situation based on, but not limited to the following factors:
    - the nature of the complaint
    - if a pattern of bad behavior exists
    - the number of settlements and the content of previous settlements

2.3 The "Brochure Rule"

FA provides informational material to customers and prospects, all of which is collectively known as "brochure" material. See also Section 6: Sales and Advertising.

Rule 204-3 requires that at or prior to the time the prospective customer signs an agreement for advisory services, the adviser must provide the prospective customer with a **"Firm Brochure,"** which must be written in plain English. To satisfy this rule, FA provides customers and potential customers with Part 2A of Part II of Form ADV. FA is required by Rule 204-2 to maintain a record of delivery of such brochure before the customer signs the contract, together with a customer receipt.

The contents of the brochure are subject to overall advertising restrictions on exaggerated claims, testimonials, non-balanced presentation and, most importantly, presentations of prior investment performance. See Section 6: Sales and Advertising.

If the applicable brochure is not delivered at least forty-eight (48) hours before the customer enters into the contract, then the customer has the right to terminate the contract within five (5) business days after entering into it, without any penalty to the customer. **(A disclosure to this effect will be included in the applicable advisory contract.)**

2.4 The Customer Agreement

Every contract for advisory services signed by FA must contain certain provisions, as follows:

2.4.1 Mandated by the Advisers Act of 1940 and Related Rules

- **Contract cannot be assigned without customer consent** (NOTE: "assignment" includes a transfer of control of the adviser).
- **No fees based on a percentage of capital gains** or appreciation in the portfolio (with certain exceptions).
- **Where prepaid fees are charged,** the contract must clearly state that the customer gets a pro-rata refund if the contract is terminated before the end of the relevant period.
- **No provisions waiving compliance with the Act.**
- **Contact must be in writing** (including all material provisions of the arrangement).
- **Where the adviser is a partnership or limited liability company,** it will notify the other party to the contract of any change in the membership of such partnership or limited liability company within a reasonable time after such change.
- **Where solicitation fees are being paid,** the contract must refer to this fact and be accompanied by a **Disclosure Statement** to be signed by the customer**.**

Mandatory Arbitration Clauses. If there is a mandatory arbitration clause in the customer agreement, many states and the SEC require that the clause include a statement that the customer is not waiving any rights provided under federal or state securities laws to pursue remedies by other means.

2.4.2 Other Suggested Provisions

- **Scope of authority** should be clearly spelled out, including the nature of discretion, investment guidelines, restrictions, etc.
- **Acknowledgment of fiduciary duties** (required for ERISA "plan fiduciaries") limited to actual assets managed by the fiduciary, and clarifying that such a duty is NOT a guarantee against losses.
- **Clear description of fees and mechanics for fee debiting**
- **Term, renewal and termination –** description of any applicable penalties
- **Portfolio brokerage, disclosing that an affiliate may execute portfolio brokerage transactions,** costs and expenses, that the customer is free to request other brokers

and who is responsible for negotiating commissions (states that the adviser is responsible for getting the most favorable terms)
- **"Bunching" and "allocation" practices** (if applicable)
- **Compliance with "brochure rule"**
- **Bonding requirements**, a representation that the adviser meets the basic requirements under ERISA, state statutes, etc. (if applicable)
- **Handling of proxy and other shareholder action items.**

SECTION 3: CUSTOMER RELATIONS; ESTABLISHING ACCOUNTS

3.1 Rules of General Conduct

Section 206 of the Investment Advisers Act of 1940 makes it unlawful for any investment adviser to "employ any device, scheme or artifice to defraud any customer or prospective customer" or "to engage in any transaction, practice or course of business which operates as a fraud or deceit upon any customer or prospective customer." In addition, the SEC requires each adviser to have in place a "Code of Ethics" covering specific "do's and don'ts." In addition, new **SEC Regulation Best Interest** requires firms to act in the best interest of its retail customers, including the following four obligations it must follow:

- **Disclosure** – FA (and associated IARs) must disclose material facts about the relationship and recommendations, including specific disclosures about conflicts of interest that a associated with the recommendation, the capacity in which the IAR is acting, material fees and costs, the type and scope of services provided and limitations on services and products.
- **Care** – FA (and associated IARs) must exercise reasonable diligence, care and skill when making a recommendation to a retail customer. FA (and its associated IARs) must understand potential risks, rewards and costs associated with the recommendation, and must consider these in light of the customer's investment profile;
- **Conflicts of interest** – FA must establish, maintain, and enforce written policies and procedures designed to identify and at a minim disclose or eliminate conflicts of interest.
- **Compliance** – The compliance obligation requires FA to establish, maintain, and enforces policies and procedures reasonably designed to achieve compliance with Reg BI as a whole.

3.2 Recommendations.

FA and its Associated Persons must have a reasonable basis for recommending an investment transaction, or an investment strategy and be in the best interest of the customer. Before making a recommendation, each Associated Person must:

- Review and understand the customer's financial situation, objectives, and risk tolerance;
- Follow an investment strategy with respect to that customer, which is approved by FA and is appropriate for the customer in light of the information obtained;
- Communicate to the customer the basis for the recommendations; and
- Because these are "non-discretionary" accounts, obtain the customer's specific consent.

Recommendations made by Associated Persons will be periodically reviewed by that person's supervisor to ensure that such recommendations are consistent with the best interests and/or instructions of the customer. If any inconsistencies are noted, the supervisor will work directly with the Associated Person to determine whether there was an oversight, mistake, or reason for the particular recommendation or action in the customer's account. If remedial action is necessary, the supervisor will inform the CCO of the situation and make a recommendation for resolution, which the CCO may accept or reject. The CCO will ensure that appropriate documentation of any remedial actions taken is noted in the customer file and the Associated Person's personnel file as applicable.

3.3 Fiduciary Standard of Care

As a registered investment adviser, FA has acquired and must observe toward its customers a fiduciary standard of care. This duty is akin to the "prudent man rule" applicable to a trustee, exercising that degree of care with respect to the customer's affairs that a "prudent man" would observe with respect to his own. In accordance with new Reg BI, FA (and its associated IARs) must also act in the best interest of their retail customers when making a recommendation and cannot place its own interests ahead of the customer's interest. Specifically, FA and each employee must observe the following general principles:

3.3.1 Avoid Self-Dealing

Conduct that gives the appearance that FA or any employee has demonstrated a preference for FA and/or any affiliate, or has a personal interest over that of the customer is to be avoided. There must be particular awareness of conflicts that can arise in the sale of FA's proprietary products to advisory customers. At this time we do not allow principal transactions in advisory accounts (See 5.7.6 below.) If in any doubt about a given course of action, consult the CCO.

3.3.2. Consistency with Announced Strategies

FA and its personnel must be conscious of the requirement that review and evaluation of investment recommendations and decisions on behalf of a customer will at all times remain consistent with the strategies and guidelines that have generally or specifically been agreed to with those customers. FA personnel should endeavor to follow the practice of asking and checking with the customer in any cases where a proposed recommendation or decision may be perceived as inconsistent.

3.3.3 Follow Individual Customer Guidelines

Each customer/account gets treated as an individual situation. Conduct that benefits the collective accounts at the expense of individual accounts is to be avoided. Care must be taken to study and follow any particular guidelines agreed to with the customer, including restrictions on types of securities to be included in the portfolio or strategies to be preferred or avoided.

3.3.4 Disclosure

Customers must be provided advance disclosure of investment strategies, fees, information about FA's business and other data significant to customers and the decision to engage FA's services. This includes Form CRS (ADV part III)

3.3.5 Communication/Feedback

Customers must be provided adequate opportunities to present their situation, evaluate recommendations, and express preferences on an ongoing basis.

3.4 Discretionary Accounts

Any account in which FA or an Associated Person has the power to execute transactions without the prior consent of the customer is a "discretionary account." **FA does not allow discretionary accounts.** On "Consulting Solutions" accounts, the third-party professional money manager ("PMM") exercises discretion is selecting investments for the customer. However, this is not considered a "discretionary account" vis-à-vis FA because FA and its Associated Persons exercise no discretion whatsoever in the selection of the investments, or in the selection of the PPM.

3.5 Contacting Prospective Customers

The process of establishing a good customer relationship starts with the initial customer contact. Several policies and procedures must be observed in this area. These include the policies set forth below, in addition to those governing advertising and sales communications with existing and prospective customers set forth elsewhere in this manual.

3.5.1 Federal Communications Commission "Cold Calling" Rule

In 2002, the FCC promulgated "cold calling" restrictions pursuant to Section 227 of the Federal Communications Act. If a person or entity making a call for telemarketing purposes (or on whose behalf such a call is made) receives a request from a residential telephone subscriber not to receive calls from that person or entity, the person or entity must record the request and place the subscriber's name, if provided, and telephone number on the "Do-not-call List" at the time the request is made. In addition, under the Rule there are detailed restrictions on the use of pre-recorded messages or fax communications.

A person or entity making a call for telemarketing purposes must provide the called party with the name of the individual caller, the name of the person or entity on whose behalf the call is being made, and a telephone number or address at which the person or entity may be contacted.

A person or entity making calls for telemarketing purposes must maintain a record of a caller's request not to receive further telemarketing calls. A "Do-not-call Request" must

be honored for five (5) years from the time the request is made. No person or entity shall initiate any telephone solicitation to:

- Any residential telephone subscriber before the hour of 8 a.m. or after 9 p.m.(local time at the called party's location), or
- A residential telephone subscriber who has registered his or her telephone number on the national do-not-call registry of persons who do not wish to receive telephone solicitations that is maintained by the federal government. Such do-not-call registrations must be honored for a period of five (5) years.
- Any individual listed on the National Do Not Call List.

3.6 Account Establishment

An important part of the fiduciary process is the gathering of significant information about each customer on a routine basis. The process then proceeds to an evaluation of the customer's individual needs. From a compliance standpoint, the record should as a minimum show:

- The gathering of basic financial information, including filling out the RBC CS new account form, and the "Advisory Risk Profile" that is part of the RBC CS platform;
- A detailed discussion with the customer;
- Evaluation of whether services offered are appropriate for this customer;
- Evaluation of how much of customer assets are appropriate for management; and
- Development of recommendations.

3.6.1 Account Establishment

The Associated Person assigned to the customer's account must obtain certain basic information from the customer. The basic forms for doing this are (i) the RBC CS new account form; and (ii) the Advisory Risk Profile or similar document. In addition, the customer will sign a Customer Agreement for the selected advisory program. A relationship will not be established with the customer until all required documentation has been submitted and approved.

The Associated Person should interview the customer to discuss the customer's financial situation and the services provided by FA. Before the interview, the Associated Person must provide the customer with the Firm Brochure and Wrap Fee Program Brochure. As well, the Associated Person will provide, at or before the interview, the two documents described in the prior paragraph. To satisfy FA's compliance with its Anti-Money Laundering ("AML") Customer Identification Program ("CIP"), the Associated Person should obtain the customer's driver's license number and expiration date (or passport number and expiration date) if the account is opened on the RBC CS platform. If the account is held with a PMM that is not on the RBC CS platform, the Associated Person must obtain a copy of the customer's driver's license or passport, unless the customer has an existing account relationship with FA.

The Associated Person must exercise due care to make sure that FA has obtained this information and that it is complete and up-to-date. Care must be taken to discuss the options with the customer and to make sure that the objectives, risk tolerance, and investment strategy are consistent.

Before any recommendation may be implemented for a new account opened by an Associated Person, the account must be approved by the supervisor of the Associated Person. Such approval must be indicated by having the Principal sign or initial the applicable documentation.

When a third party who is not the principal or named person on the account gives instructions regarding orders, disposition of funds, or other actions involving an account, FA must have a signed power of attorney.

Once the advisory services contract and the account opening documentation have been completely filled out and signed, the Associated Person shall forward the advisory services contract and supporting documentation to the Compliance Department, where a principal shall promptly perform a check on the data and if appropriate, approve the opening of the account. Once approved, copies of the advisory services contract, plus any required supporting documents to the broker-dealer and clearing firm, are retained for the FA files, and copies are sent to the customer.

The Associated Person is responsible for executing all documentation in the customer records so that it is current within the last year. This requires periodic communication with customers to update their account documentation.

3.6.2 Initial Review

Once a customer is pre-qualified and recommendations are developed, the IAR must consider whether particular investments or investment strategies are suitable for the customer/account by focusing on choosing PMM(s) or Portfolios that best match the customer's risk profile, financial situation, and objectives considering all of the customer's other holdings, both in the account, and to the extent known, outside the account to determine whether the proposed strategy and portfolio as a whole are consistent with the customer's risk profile, financial situation, and objectives.

FA, through its BOMs and principals in the Compliance Department, reviews the suitability of any proposed investment strategy and/or programs offered to the customer at the time of account opening. Documentation of such reviews is maintained in each customer file.

3.6.4 Ongoing Review

The supervisors will use the above information in reviewing customer account performance on an ongoing basis. If it appears that an account is not being managed to the announced objectives and strategy or if it appears that the account is the subject of unusual or excessive transactions, the supervisor will discuss this with the IAR. Where it appears there is no adequate explanation, the supervisor will contact the CCO, who will

investigate the matter, including contacting the customer if necessary, and determine whether further action is necessary, including corrective transaction(s), re-assigning the account or disciplinary action. If the investigation reveals any changes in the customer's objectives or strategy, the customer documentation should be corrected and re-signed.

On a periodic basis, FA's Compliance Department will review drift reports, loss reports, and/or other relevant reports available on the RBC CS platform. The Compliance Department may also review respective performance reports and take action corrective action if problems are evident.

At least annually, by telephone or in person, the IAR will discuss with each customer account performance, financial condition, risk tolerance, and investment objectives. If customer suitability information requires updating, the IAR is responsible for promptly ensuring that this update occurs and that proper documentation pertaining to any changes in suitability data are documented in the customer file.

SECTION 4: MANAGING CUSTOMER SERVICES

4.1 Safeguarding Customer Funds and Securities

FA does not have physical custody of customer funds or securities, all of which are held by RBC CS, or in limited cases, unaffiliated third-party professional money managers. Any checks received from customers must be made payable to the custodian, and turned over to the custodian immediately upon receipt. If a customer makes a check payable to FA, that check must be returned to the customer immediately.

4.2 Reporting to Customers

Advisory customers with accounts custodied by RBC CS will receive monthly account statements from RBC CS as long as there is activity in the account, or quarterly statements when there is no activity. In addition, these advisory customers will receive quarterly performance reports from RBC CS.

4.3 Fees

4.3.1 General Rule

SEC Rules do not specifically set out any specific fee levels that an adviser may charge. However, SEC rulings have made it clear **that fees charged by an adviser substantially in excess of what similar advisers charge for essentially the same services can be considered a violation of the antifraud provisions of the Act,** if it is not disclosed to the customer that the services may be obtained elsewhere for less. Where prepaid fees are charged, the contract must clearly state that the customer gets a pro-rata refund if the contract is terminated before the end of the relevant period.

Advisers must disclose the receipt of all compensation, direct or indirect, such as commissions, 12b-1 fees, incentives, gifts or other compensation which may be received in conjunction with the implementation of any investment advice given. Disclosure is required for such compensation received by the adviser, an advisory representative, control person or

affiliate, related to customer purchases and the payment of referral fees. 12b-1 or distribution fees will be rebated back on mutual funds held in advisory accounts custodied by RBC CS.

The CCO is responsible for periodically reviewing all fee and compensation arrangements to ensure they are reasonable, permissible, and properly disclosed.

4.3.2 Arms-Length Contract

The adviser and any person acting on the adviser's behalf must reasonably believe, immediately prior to entering into the contract, that the contract represents an arm's-length agreement between the parties and that the customer (and the customer's agent, if any) understands the proposed method of compensation and its risks.

In addition, the contract must provide that the adviser, if a partnership or limited liability company, will notify the other party to the contract of any change in the membership of such partnership or limited liability company within a reasonable time after such change.

4.3.3 Performance Fees, Rebates, and Waivers

FA does not charge performance fees or contingent fees, nor does it typically offer fee rebates or waivers, particularly if such rebates appear to be the functional equivalent of performance fees or contingent fees. FA may occasionally waive or credit back a portion of its advisory fee in situations where a customer may have recently transferred new assets into the advisory account, which must be subsequently liquidated and some form of deferred sales charge, transaction fee, or other charge is associated with the transaction.

4.3.4 Solicitation and Referral Fees

FA does not currently utilize solicitors for the purposes of marketing advisory services to potential customers, nor does FA pay referral fees or solicitation fees.

4.3.5 Sales Promotions/Allowances

All federal and state securities laws are involved in the regulation of mutual fund sales costs, expenses, and allowances. The receipt or utilization by FA personnel of any sales or promotional allowance or expense reimbursement, or the payment of any expenses in consideration of increased fund sales, should be very carefully reviewed with the CCO to make sure that:

- Regulations prohibiting or restricting such payments are observed; and
- All appropriate disclosures are made in Form ADV, brochures, prospectuses, and other disclosure documents.

In particular, the allocation to FA by any controlled or managed fund of sales overhead expenses or allowances must be carefully reviewed in advance by the CCO to make certain that rules relating to incentives and excessive compensation are being observed.

Section 36(b) of the Investment Company Act of 1940 imposes a fiduciary duty on a registered adviser of a registered investment company not to impose fees and expenses that are excessive and unreasonable in the light of the services offered, industry standards, etc. Approval by outside "disinterested" directors of fee and expense arrangements is an integral part of the process of compliance.

4.5 Customer Complaints

Customer complaints most often result from misunderstandings about transactions, objectives or results. Most often that can be resolved by open communication, careful attention to the facts, and a focused response. For this reason, FA and its employees need to treat customer complaints with great care, allowing for an impartial examination of the basis for any complaint and an opportunity to resolve any misunderstandings by reference to facts and details of the specific situation in question.

Should FA or any employee receive a customer complaint, the following procedures must be followed:

- The complaint and any documentation **should be immediately reported** to the CCO.
- The CCO, after investigating the complaint, will report on the situation to the General Counsel (if warranted) together with recommendations for action.
- **Any employee(s) involved will refrain from all communications** with the customer, regulators, the press or any other persons unless specifically authorized by the General Counsel.
- If required, any official or public communication or response will come from, or be pre-cleared by, either the CCO or General Counsel.

FA has established a Complaint File that is maintained on a current basis. Any information relating to a customer complaint pertaining to an advisory account will be retained in this file at all times. At a minimum, the following information pertaining to a customer complaint will be retained:

- Copy of the original complaint letter or documentation of any complaint-related call received by the adviser or supervisor;
- Copies of all supporting documentation used to respond to the complaint;
- Documentation of any and all actions taken by the CCO or party responsible for investigating the complaint;
- Documentation of how the complaint was resolved, including any internal remedial action taken with respect to the advisory representative involved;
- Documentation of any changes in firm policy, procedure, and/or internal controls which may need to be implemented to prevent future complaints of a similar nature.

4.6 Privacy of Consumer Financial Information

Effective November 13, 2000 the SEC adopted Regulation S-P covering Privacy of Customer Financial Information. Regulation S-P requires that FA adopt and maintain written supervisory procedures that comply with Regulation S-P and serve to protect the privacy of customer data.

Regulation S-P requires that FA provide each customer with a Privacy Notice. The Privacy Notice must be provided at the time the customer becomes a customer and thereafter at least annually. In addition, where FA discloses **"nonpublic personal information"** about customers outside of certain permitted exceptions (chiefly related to the needs of the business), FA must obtain the customer's prior written permission. The detailed Privacy Policies are set forth in FA's Privacy Policy, which appears on the FA website.

4.7 Voting Proxies

Where a firm votes proxies on behalf of customers, the Advisers Act Rule 206(4)-6 requires FA to establish written policies and procedures regarding how it exercises proxy voting authority with respect to customer securities. However, FA does not vote customer proxies.

SECTION 5: INVESTMENT AND TRADING PRACTICES

5.1 In General

The Advisers Act and state statutes require that FA describe to customers its investment policies and procedures and any changes as they occur. Further, they require that FA operate customer portfolios in accordance with the stated objectives. It is the responsibility of the CCO to oversee the achievement of these objectives.

Specifically, the CCO or his designee is responsible for monitoring all FA's advisory accounts to analyze the investment and trading practices of FA personnel on a regular basis to detect any existing or potential violations. Indicators of possible violations would include, among other things, unusual portfolio turnover rate, unexplained variances from announced investment strategy, use of unusual securities, hedging strategies or other techniques, wide variations in comparative performance of similarly managed accounts and evidence of favoritism, misallocation of investment opportunities or other breaches of fiduciary duty.

5.2 Allocation of Investment Opportunities

Because FA does not allow discretionary accounts, it does not allow block transactions, followed by "allocation" of investments. Each IAR is required to speak with each customer before each and every trade, and buy or sell whatever securities the customer directs at the quantities that the customer specifies.

5.3 ERISA Customers

The Federal Employee Retirement Income and Security Act (ERISA) contains a number of provisions affecting advisers engaged in managing or other advisory activities with respect to ERISA accounts. ERISA rules and regulations are quite complex and in cases of uncertainty FA personnel should seek expert advice before engaging in business dealings or signing contracts.

The following paragraphs address major compliance issues deriving from the ERISA statute and rules; other issues are best addressed by consulting knowledgeable professionals.

5.3.1 Prohibited Transaction Exemptions

ERISA rules have a long list of exemptions, including:

- A "plan fiduciary" may have reasonable arrangements for services (including investment advisory services) which benefit the adviser as "plan fiduciary" where the arrangements are made on behalf of the plan by someone other than the "plan fiduciary."
- A plan may pay incentive fees to a plan fiduciary adviser as long as the adviser cannot control the amount, timing or payment of the fees.
- Execution of plan transactions may be done for commissions by a registered broker-dealer affiliated with a plan adviser.
- Under the 2006 Act, execution of plan transactions may be done with a party in interest through an electronic communication network, alternative trading system, or similar execution system or trading venue that is subject to regulation where either (a) neither the execution system nor the parties to the transaction take into account the identity of the parties in the execution of trades, or (b) the transaction is effected under rules designed to match purchases and sales at the best price available through the execution system in accordance with applicable regulations, under certain circumstances.
- Under the 2006 Act, certain "block trades" between a plan and a disqualified person (other than a fiduciary) if at the time of the transaction, the interest of the plan (together with the interests of any other plans maintained by the same plan sponsor) does not exceed 10 percent (10%) of the aggregate size of the block trade; (3) the terms of the transaction, including the price, are at least as favorable to the plan as an arm's-length transaction with an unrelated party; and (4) the compensation associated with the transaction must be no greater than the compensation associated with an arm's-length transaction with an unrelated party. For purposes of this provision, a "block trade" is defined as any trade of at least 10,000 shares or with a market value of at least $200,000 that will be allocated across two or more unrelated customer accounts of a fiduciary.
- Transactions between a plan and a "fiduciary adviser" providing an "eligible investment advice arrangement" are exempt (see above).
- Certain "agency cross" transactions where discretion does not exist on both sides of the transaction, proper disclosures and authorizations are in place and the fiduciary renders reports on a periodic basis. The 2006 Act has codified and expanded these provisions. On February 12, 2007, the DOL released an interim final rule to facilitate "cross trading" of securities between a plan and any other account managed by the manager. The rule requires that the transaction take place as a cash payment against delivery of a publicly traded security at the market price; the transaction must be authorized by an independent fiduciary for each plan involved; each plan involved must have at least $100 million in assets (or part of a master trust with at least $100 million); and the manager must observe quarterly reporting and fee schedule requirements in accordance with written procedures.

- A plan may invest "plan assets" in a registered mutual fund managed by a "plan fiduciary" adviser provided there are no sales charges or duplications of fees and certain other conditions are met.

5.3.2 "Plan Fiduciary"

FA becomes a "plan fiduciary" subject to ERISA rules where it exercises any discretionary authority or control with respect to managing plan assets OR renders investment advice for a fee or other compensation, direct or indirect, with respect to any plan assets or has any authority to do so. "Plan assets" include assets held in separate employee accounts under "404(c)" plans (see below). "Plan fiduciary" status is significant because of the liabilities attached. There may be more than one "plan fiduciary" of an ERISA plan. Every "plan fiduciary" is personally jointly and severally liable for any violation of the ERISA statute and rules by every other "plan fiduciary." Also, "plan fiduciaries" are subject to an elaborate set of "prohibited transaction" rules barring certain types of transactions between the "plan fiduciary" and the plan. While many managers cannot avoid "plan fiduciary" status because of the discretion they have over plan assets, many advisers who are non-discretionary service providers to plans make an effort to avoid "plan fiduciary" status because of the liability consequences that attach to this status and the application to them of the "prohibited transaction" rules.

5.3.3 New "Safe Harbors" and the "Fiduciary Adviser"

Since inception, the Act has had a "safe harbor" for plan sponsors in Section 404(c). This Section frees sponsors from liability for managing plan assets if the sponsor announces the 404(c) status to participants and gives them at least three (3) investment options with materially different risk/return profiles. Registered broker-dealers and mutual fund companies have long been able to provide plans with these options. Until 2006, registered investment advisers such as FA had not been able to provide investment management and other advisory services under the 404 (c) "safe harbor." In hearings leading up to passage of the 2006 Act, Congress perceived that while the Act enabled 404(c) plan participants to manage their own accounts, the existing 404(c) "safe harbor" left most plan participants without access to adequate advice about their investments.

Proposed regulations under the 2006 Act now also allow the sponsor to offer participants, as well, a "qualified default investment alternative," whether or not Section 404(c) is elected. The "qualified default investment alternative" is defined as a combination of:

(i) Age-based life cycle or targeted retirement date funds or accounts;
(ii) Risk-based balanced funds; or
(iii) An investment management service.

In addition, the 2006 Act creates an entirely new "safe harbor" for sponsors who want specific investment advice to be provided to plan participants. The plan sponsor may engage a "fiduciary adviser" to provide an "eligible investment advice arrangement" to plan participants, without violating the "prohibited transaction" rules. The sponsor must exercise a fiduciary level of prudence in picking and monitoring the "fiduciary adviser" and the "eligible investment advice arrangement." Once this is done, the sponsor can then invoke the "safe harbor" and avoid liability for management decisions made over plan assets.

A “fiduciary adviser” is a person who is a fiduciary of the plan by reason of the provision of investment advice to a participant or beneficiary. This is different from an “investment fiduciary” who provides advice only to the plan sponsors or investment committee. A “fiduciary adviser” must be either (a) a registered investment adviser, (b) a bank, a similar financial institution supervised by the United States or a state, or a savings association (as defined under the Federal Deposit Insurance Act), but only if the advice is provided through a trust department that is subject to periodic examination and review by federal or state banking authorities (c) an insurance company qualified to do business under state law, (d) registered as a broker or dealer under the Securities Exchange Act of 1934, (e) an affiliate of any of the preceding; or (f) an employee, agent or registered representative of any of the preceding who satisfies the requirements of applicable insurance, banking and securities laws relating to the provision of advice.

An “eligible investment advice arrangement” is an arrangement (1) meeting certain requirements (discussed below) and (2) which either (a) provides that any fees (including any commission or compensation) received by the fiduciary adviser for investment advice or with respect to an investment transaction with respect to plan assets do not vary depending on the basis of any investment option selected, or (b) uses a computer model under an investment advice program for participants or beneficiaries as described below. In the case of an “eligible investment advice arrangement” with respect to a defined contribution plan, the arrangement must be expressly authorized by a plan fiduciary other than (1) the person offering the investment advice program, (2) any person providing investment options under the plan, or (3) any affiliate of (1) or (2).

If an eligible investment advice arrangement provides investment advice pursuant to a computer model, the model must (1) apply generally accepted investment theories that take into account the historic returns of different asset classes over defined periods of time, (2) use relevant information about the participant or beneficiary, (3) use prescribed objective criteria to provide asset allocation portfolios comprised of investment options under the plan, (4) operate in a manner that is not biased in favor of any investment options offered by the fiduciary adviser or related person, and (5) take into account all the investment options under the plan in specifying how a participant's or beneficiary's account should be invested without inappropriate weighting of any investment option. An eligible investment expert must certify, before the model is used and in accordance with rules prescribed by the Secretary, that the model meets these requirements. The certification must be renewed if there are material changes to the model as determined under regulations. For this purpose, an eligible investment expert is a person who meets requirements prescribed by the Secretary and who does not bear any material affiliation or contractual relationship with any investment adviser or related person.

In addition, if a computer model is used, the only investment advice that may be provided under the arrangement is the advice generated by the computer model, and any investment transaction pursuant to the advice must occur solely at the direction of the participant or beneficiary. This requirement does not preclude the participant or beneficiary from requesting other investment advice, but only if the request has not been solicited by any person connected with carrying out the investment advice arrangement.

Before the initial provision of investment advice under an “eligible investment advice arrangement,” the “fiduciary adviser” must provide to the participants written notice (which may be in electronic form) as to: (1) the role of any related party in the

development of the investment advice program or the selection of investment options under the plan; (2) past performance and rates of return for each investment option offered under the plan; (3) any fees or other compensation to be received by the fiduciary adviser or affiliate; (4) any material affiliation or contractual relationship of the fiduciary adviser or affiliates in the security or other property involved in the investment transaction; (5) the manner and under what circumstances any participant or beneficiary information will be used or disclosed; (6) the types of services provided by the fiduciary adviser in connection with the provision of investment advice; (7) the adviser's status as a fiduciary of the plan in connection with the provision of the advice; and (8) the ability of the recipient of the advice separately to arrange for the provision of advice by another adviser that could have no material affiliation with and receive no fees or other compensation in connection with the security or other property. This information must be maintained in accurate form and must be provided to the recipient of the investment advice, without charge, on an annual basis, on request, or in the case of any material change. Any notification must be written in a clear and conspicuous manner, calculated to be understood by the average plan participant, and sufficiently accurate and comprehensive so as to reasonably apprise participants and beneficiaries of the required information. The Department of Labor is directed to issue a model form for the disclosure of fees and other compensation as required by the provision. The fiduciary adviser must maintain for at least six (6) years any records necessary for determining whether the requirements for the prohibited transaction exemption were met.

In order for the exemption to apply, the following additional requirements must be satisfied: (1) the fiduciary adviser must provide disclosures applicable under securities laws; (2) an investment transaction must occur solely at the direction of the recipient of the advice; (3) compensation received by the fiduciary adviser or affiliates in connection with an investment transaction must be reasonable; and (4) the terms of the investment transaction must be at least as favorable to the plan as an arm's-length transaction would be.

In the case of an "eligible investment advice arrangement" with respect to a defined contribution plan, an annual audit of the arrangement for compliance with applicable requirements must be conducted by an independent auditor (i.e., unrelated to the person offering the investment advice arrangement or any person providing investment options under the plan) who has appropriate technical training or experience and proficiency and who so represents in writing. The auditor must issue a report of the audit results to the fiduciary that authorized use of the arrangement.

5.3.4 Fees

Fees charged to a plan by an adviser who is a "plan fiduciary" must be "reasonable" in conformity with DOL regulations.

5.3.5 Prohibited Transactions

In order to prevent potential conflicts of interest, ERISA prohibits a "plan fiduciary" from causing a plan to engage in transactions with any "party in interest" with respect to the plan. Where FA is a "plan fiduciary" with respect to any customer or account, FA and its employees must make sure that the plan avoids all such transactions.

- A "party in interest" is all "plan fiduciaries," including all investment advisers to, and managers of, "plan assets" and all trustees, counsel, custodians or employees of the plan, any service advisers (including brokers), any employer or employee organization that has employees or members who are covered by the plan and any 50% or more owner of the employer, any entity owned 50% or more by any of the above and officers, directors and over 10% shareholders of any of the above.

- The standard is applied as follows: a "plan fiduciary" should avoid any transaction with a "party in interest" which it knows or should know directly or indirectly involves prohibited conduct. The rules apply whether or not the "party in interest" is acting as a principal or agent or not. A prohibited transaction cannot be justified on the grounds that it was "fair" or that it in fact benefited the plan.

5.3.6 Specific Types of Prohibited Transactions

The following transactions between a "party in interest" and a plan are specifically prohibited:

- Sale, exchange or lease of any property (e.g., leasing computer or office equipment to the plan, charging for publications, etc.).
- Lending money or extension of credit (e.g., margin credit from an affiliated broker-dealer).
- Furnishing of goods, services or facilities (e.g., sale of research services to plan OR providing financial planning or counseling services to Plan participants *while* at the same time managing Plan assets or offering optional management services or products to Plan participants (mutual funds or managed accounts)).
- Transfer or beneficial use of Plan assets (e.g., borrowing plan assets to lend to short sellers).
- Ownership of plan employer securities or real property. (NOTE: that plan cannot do this either (with certain exceptions).

5.3.7 General Prohibitions on Self-Dealing

In addition to the specific prohibitions set forth above, a "plan fiduciary" is subject to certain more general prohibitions. A "plan fiduciary":

- May not deal with "plan assets" in own interest.
- May not act in any capacity for any party with interests adverse to the plan, its participants or beneficiaries.
- May not receive any consideration from a party dealing with a plan in a transaction involving plan assets.

5.3.8 Prohibited Transaction Exemptions

ERISA rules have a long list of exemptions, including:

- A "plan fiduciary" may have reasonable arrangements for services (including investment advisory services) which benefit the adviser as "plan fiduciary" where the

arrangements are made on behalf of the plan by someone other than the "plan fiduciary."

- A plan may pay incentive fees to a plan fiduciary adviser as long as the adviser cannot control the amount, timing or payment of the fees.
- Execution of plan transactions may be done for commissions by a registered broker-dealer affiliated with a plan adviser.
- Certain "agency cross" transactions where discretion does not exist on both sides of the transaction, proper disclosures and authorizations are in place and the fiduciary renders reports on a periodic basis.
- A plan may invest "plan assets" in a registered mutual fund managed by a "plan fiduciary" adviser provided there are no sales charges or duplications of fees and certain other conditions are met.

5.3.9 Liability for Breach of ERISA Rules

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

NOTE: A "plan fiduciary" is JOINTLY AND SEVERALLY LIABLE to the plan for breach by any other "plan fiduciary."

Great care must be taken to identify when FA is acting as a "plan fiduciary" with respect to any ERISA customer or account. That FA has discretionary control over any assets of an ERISA plan subjects FA and its employees to heightened levels of responsibility to make sure that contract provisions are clear and fully explained and understood by plan executives/trustees:

- To provide prudent advice;
- To charge reasonable fees;
- To disclose and get the customer to "sign off on" all conflicts of interest;
- To avoid engaging in "prohibited transactions."

5.3.10 Proxy Voting

Management of "plan assets" carries with it the obligation to vote the proxies at annual and special meetings of shareholders of companies (including mutual funds) in which the plan invests, unless otherwise specifically agreed. FA will typically shift responsibility for proxy voting to the plan's trustee.

5.3.11 Custody of Plan Assets

Custody and indicia of ownership of plan assets must be maintained within the jurisdiction of U.S. district courts. Foreign securities may be held abroad in a U.S. bank or licensed foreign custodian agent for the U.S. bank if certain conditions are satisfied.

5.3.12 "Plan Asset" Status

All managers of "plan assets" are subject to "plan fiduciary" rules. Under ERISA regulations, applicable also for purposes of the prohibited transaction rules of the Code, when a plan holds a non-publicly traded equity interest in a corporation or other entity, the assets of the entity may be considered "plan assets" (and the manager of the entity, therefore, a "plan fiduciary") if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of *any* class of equity interest in the entity is held by benefit plan investors, defined as (1) employer-sponsored plans (including those exempt from ERISA, such as governmental plans), (2) other arrangements, such as IRAs, that are subject only to the prohibited transaction rules of the Code, and (3) any entity that has assets that are "plan assets" by reason of a plan's investment in the entity. In that case, unless an exception applies, "plan assets" include the plan's equity interest in the entity and an undivided interest in each of the underlying assets of the entity.

This provision is particularly of interest to hedge funds and other private equity vehicles, which have managers who are liable to become inadvertent "plan fiduciaries" due to excessive investment by ERISA plans and affiliates. Most such private equity vehicles have rules which allow the fund to terminate any ERISA investment that takes the total ERISA ownership above the 25% mark.

The 2006 Act provides that the assets of any entity are not to be treated as "plan assets" if, immediately after the most recent acquisition of any equity interest in the entity, less than 25 percent (25%) of the total value of *each* class of equity interest in the entity is held by benefit plan investors. For this purpose, an entity is considered to hold plan assets *only to the extent of the percentage of the equity interest held by benefit plan investors* employee benefit plans subject to the fiduciary rules of ERISA, any plans to which the prohibited transaction rules of the Internal Revenue Code applies, and entities that have underlying assets that include plan assets by reason of a plan's investment in such entity.

5.4 Use of Model Portfolios

FA does not currently make use of model portfolios with respect to the advisory services offered to customers.

5.5 "Mutual Fund" Status

There is a concern that an adviser's managed accounts not be aggregated to form a de facto "mutual fund" required to register under the 1940 Act. As long as they are managed in accordance with SEC-established guidelines, this is unlikely to happen. The guidelines are contained in proposed Rule 3(a)-4 under the Investment Company Act of 1940 and may be summarized as follows:

- Each individual account must be managed on the basis of the customer's financial situation, investment objectives and instructions (no pro rata allocations).

- At the opening of each account, FA must obtain information concerning the customer's financial situation and investment objectives and give the customer an opportunity to provide specific instructions about the management of the account.
- At least annually, FA must contact the customer to determine whether there have been any changes in the customer's financial situation, investment objectives or instructions.
- At least quarterly FA must notify the customer in writing that the customer should contact FA if there have been any changes (per request in the quarterly account statement).
- FA portfolio managers are reasonably available to consult with the customer concerning management of the account.
- Each customer has the ability to impose restrictions on the management of the account.
- The customer gets at least a quarterly statement showing all account activity, including transactions, fees and expenses, and opening and closing balances.
- The customer has the following indicia of ownership in the account: (a) ability to withdraw cash, (b) ability to pledge, (c) ability to vote, (d) receipt of timely confirmations and similar documents and (e) ability to individually assert any claims against the issuer.
- FA files a Form N-3a-4 with the SEC giving basic information on the program (once the SEC rule is actually adopted).

The CCO is responsible for ensuring that FA customer accounts are managed on an individual basis so as to avoid being classified as an unregistered mutual fund.

5.6 Sub-Advisers

For PMM advisory accounts, FA utilizes sub-advisers to provide asset management services. For the most part, customers must choose from a list of approved sub-advisers on the RBC CS platform. On occasion, FA's Compliance Department will approve the use of an unaffiliated sub-adviser that does not appear on the RBC CS list of approved advisers. Any sub-adviser will typically have "discretionary" trading authority with respect to the customer's account.

5.6.1 Supervision of Sub-Advisers

Supervision of sub-advisers typically falls into five general categories:

- "Due diligence" and pre-qualification
- Monitoring adviser qualifications
- Monitoring portfolio operations
- Reporting and Disclosures to Customers

5.6.2 "Due Diligence" and Pre-Qualification

For sub-advisers approved on the RBC CS platform, FA does not conduct any independent due diligence, but instead relies on the due diligence performed by RBC CS and its service provider, EnvestNet. Before entering into a sub-adviser arrangement with a sub-adviser who is not on the RBC CS approved list, a designated review person of FA may utilize any of the following "due-diligence" and pre-qualification activities:

- Review the adviser's Form ADV
- Review Schedule D and other information for principals

- Check SEC, CRD and other records for any disciplinary or other matters
- Review sales literature and other brochure material
- Obtain filled-in "Due Diligence" Questionnaire
- Check references
- Identify "style" and area of specialty
- Review performance record
- Review financial statements
- Review customer agreement and other customer documents
- Check errors and omissions coverage

5.6.3 Agreements

Where sub-advisory arrangements may be considered with sub-advisers not on the RBC CS approved list, FA will typically ask that each Sub-Adviser sign a Sub-Advisory Asset Management Agreement setting forth the terms and conditions under which the sub-adviser will manage a separate account or accounts for FA, including a description of the sub-adviser's portfolio management style and discipline, the assets to be managed, accounting and reporting, fees, processing of customer account documents and information, disclosures to customers, fees, custody and clearing relationship, indemnification, etc.

5.6.4 Monitoring Adviser Qualifications

For sub-advisers approved on the RBC CS platform, FA does not do anything to monitor adviser qualifications, but instead relies on RBC CS and its service provider, EnvestNet, to do the monitoring. On sub-advisers who are not on the RBC CS approved list, each sub-adviser or third party manager must agree to update its information whenever there occurs a material change, such as a change in management personnel, change in style or overall performance, financial change, claims or litigation, etc. At least once a year the CCO or his designee review all sub-advisory arrangements with sub-advisers who are not on the RBC CS-approved list to evaluate whether to keep or modify the relationship. Each agreement contains language permitting either party to terminate the relationship with appropriate notice.

5.6.5 Monitoring Portfolio Operations

For sub-advisers approved on the RBC CS platform, FA does not do anything to monitor portfolio operations, but instead relies on RBC CS and its service provider, EnvestNet, to do the monitoring. Sub-advisers who are not on the RBC CS approved list will typically provide portfolio composition, transaction, and other reporting information to the firm. This information is typically supplied on no less than a quarterly basis and may be included in quarterly reports provided by FA to customers. All performance reporting by sub-adviser or third-party managers shall be CFA Institute compliant. The CCO or his designee periodically reviews the activity in each sub-account managed by these sub-advisers to determine whether the performance in that account is acceptable in the light of the customer investment objectives, style, discipline and past performance of the sub-adviser. Based on this review, FA will either keep or modify the account arrangements as dictated by the situation.

5.6.6 Reporting and Disclosure to Customers

Customers are entitled to certain levels of disclosure associated with the provision of third-party advisory services. These disclosures include, among other things:

- A copy of the third-party adviser's Form ADV Part II and Part III or brochure
- A customer disclosure document as to referral or other fee sharing
- An annual offer for an updated version of these documents
- Reporting on at least a quarterly basis as to account assets, performance and fees

FA undertakes to make certain in its practices that the appropriate disclosures are provided, whether by the third-party adviser, the account custodian, or FA itself. The responsibilities for these disclosures are usually spelled out in the agreement between FA and the third-party adviser.

FA's new account processing procedures are developed in cooperation with the custodian or clearing firm and with the third-party adviser. They generally provide for a series of document reviews by review personnel to make sure that the proper disclosures have been provided to the customer before the account is opened and that the updates are available where required on an ongoing basis.

5.7 Other Securities Trading Practices

5.7.1 Selection of Brokers and Dealers

All securities transactions for FA's advisory customers who have RBC CS accounts are executed and cleared by RBC CS. On PMM accounts, neither the customer nor FA has any control over where securities transactions are executed. FA does not give customers the options of designating other broker-dealers for execution of securities transactions.

5.7.2 "Best Execution"

Pursuant to SEC interpretations of the Investment Advisers Act of 1940, FA has a fiduciary obligation to obtain "best execution" of customers' transactions under the circumstances of the particular transaction. The adviser must execute securities transactions for customers in such a manner that the customer's total cost or proceeds in each transaction is the most favorable under the circumstances. The adviser must consider the full range and quality of the broker's services in placing a trade with that broker, including, among other things, the value of services provided as well as execution capability, commission rate, financial responsibility, and responsiveness to the adviser. The determinative factor is not necessarily the lowest possible commission cost, but whether the transaction represents the best qualitative execution for the managed account.

In early 2001, the SEC adopted Rule 11Ac12-6 requiring broker-dealers to provide reports on a regular basis to their customers as to the quality of execution. Although FA has every confidence that RBC CS provides best execution on each and every trade, on a

quarterly basis the CCO or his designee will obtain reports from RBC CS and review them to evaluate whether RBC CS is indeed providing good service and best execution. These may include the quarterly RBC Regular and Rigorous Review memo, the RBC quarterly order routing and execution statistics, the RBC quarterly Rule 606 Report Disclosure, the RBC quarterly material aspects of relationships with market centers and a quarterly U.S. best execution summary. These reports will be reviewed on a quarterly basis and the Feltl Best Execution Committee will meet periodically, at least annually, to review the reports and determine if best execution obligations are being sufficiently met to continue with the trade routing relationship with RBC CS.

5.7.3 Mutual Fund Share Class Selection

FA, and its IARs, need to be diligent on selecting the proper share class when purchasing mutual funds for clients in managed/fee based accounts and should avoid those funds paying 12b-1 fees when other lower cost shares are available to the client. IARs should review the accounts they manage (non-3rd Party managed accounts) and determine if any held mutual funds paying 12b-1 fees (particularly Class A shares.) If identified, even if such funds transferred in from another financial institution, the IAR should promptly discuss this position with the client and move funds to a lower cost shares class of the same fund (i.e., R share or similar) where available.

If a client transfers mutual funds paying 12b-1 fees into an account on the advisory platform, the IAR should convert them to an alternate lower cost share class (when available.) Additionally, the IAR should attempt to use lower-cost share classes (R" shares or similar shares with no 12b-1 trails) when making recommendations and new purchases. Third party managed accounts would not fall under this notice, because these accounts are not managed by the IAR and generally do not include "A" share class mutual funds in their holdings. To the extent a 3rd party account holds A shares, and a lower-cost share class is available, the IAR should address this issue with the 3rd party manager and the client.

5.7.4 "Soft Dollar" and Directed Brokerage

FA does not have any "soft dollar" or "directed brokerage" relationships.

5.7.5 Use of Affiliated Broker-Dealer

FA is affiliated with Feltl and Company a broker-dealer ("BD"). Managers, IARs, and other FA employees who provide service to the RIA side of the business also provide service to the BD side of the business. All advisory account orders are routed to RBC CS for execution and clearing to avoid any conflicts of interest.

5.7.6 "Bunched" Orders and Allocation of Trades

Because FA does not allow discretionary accounts, it does not allow bunched orders or block transactions, followed by "allocation" of investments. Each IAR is required to

speak with each customer before each and every trade, and buy or sell whatever securities the customer directs at the quantities that the customer specifies.

5.7.7 Principal and Proprietary Transactions with Customers

As noted in 5.7.4 above, although FA is affiliated with Feltl and Company, all advisory account orders are routed to RBC CS for execution and clearing to avoid any conflicts of interest that might be inherent in principal trading.

5.7.8 Agency Cross Transactions

An "agency cross" transaction occurs where an adviser executes a transaction involving advisory and/or non-advisory customers. In this situation, the adviser acts as broker for both sides to the transaction, in order to provide better execution at a lower cost to the customers involved. Where the adviser or any person controlling, controlled by or under common control with any of them acts as broker (as defined below), both for an advisory customer and for another person on the other side in any transaction in a customer account (an "Agency Cross"), the following shall be observed:

- The advisory customer has executed a written consent prospectively authorizing the investment adviser, or any other person relying on this rule, to effect agency cross transactions for such advisory customer, provided that such written consent is obtained after full written disclosure that with respect to agency cross transactions the investment adviser or such other person will act as broker for, receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such transactions;

- The investment adviser, or any other person relying on this rule, sends to each such customer a written confirmation at or before the completion of each such transaction, which confirmation includes (i) a statement of the nature of such transaction, (ii) the date such transaction took place, (iii) an offer to furnish upon request, the time when such transaction took place, and (iv) the source and amount of any other remuneration received or to be received by the investment adviser and any other person relying on this rule in connection with the transaction, provided that, in the case of a purchase, neither the investment adviser nor any other person relying on this rule was participating in a distribution, or in the case of a sale, neither the investment adviser nor any other person relying on this rule was participating in a tender offer, the written confirmation may state whether any other remuneration has been or will be received and that the source and amount of such other remuneration will be furnished upon written request of such customer;

- The investment adviser, or any other person relying in this rule, sends to each such customer, at least annually, and with or as part of any written statement or summary of such account from the investment adviser or such other person, a written disclosure statement identifying the total number of such transactions during the period since the date of the last such statement or summary, and the

total amount of all commissions or other remuneration received or to be received by the investment adviser or any other person relying on this rule in connection with such transactions during such period;

- Each written disclosure statement and confirmation required by this rule includes a conspicuous statement that the written consent referred to in paragraph 1 above may be revoked at any time by written notice to the investment adviser, or to any other person relying on this rule, from the advisory customer; and

- No such transaction is effected in which the same investment adviser or an investment adviser and any person controlling, controlled by or under common control with such investment adviser recommended the transaction to both any seller and any purchaser.

5.7.9 Trading by Supervised Persons

When executing securities trades in personal securities accounts, IARs and supervised persons must be especially careful to make sure that such trading activities are:

- Not favoring representative accounts over customer accounts.
- Not conducted in advance of customer transactions in similar securities.
- Not in opposition to recommendations made for customer securities transactions, unless there is a compelling reason and full disclosure is made to the customer in advance.
- Properly disclosed to customers on the adviser's Form ADV Parts I & II.
- Not based upon inside information or research analyst report that the adviser prepared.
- Consistent with the IAR's obligations under the firm's Code of Ethics.
- Not otherwise in violation of applicable securities laws or fiduciary duties owed to customers.

See Code of Ethics, where applicable, for additional information pertaining to personal securities trading guidelines.

5.7.10 Trading Errors

The SEC has a long-held policy that "best execution" includes placing orders correctly for accounts. If an adviser makes an error while placing a trade for an account, the adviser must bear any costs of correcting the trade. The SEC's view is that because of this, the broker handling the trade provides no value to that advised account by simply offsetting the trade and carrying the loss. As part of a standard examination of an investment adviser, an SEC or state examiner will typically review trading errors to determine if the customer was in any way disadvantaged in the error-correction process.

Advisers should follow these guidelines in correcting trading errors:

- When trade errors are identified and corrected after settlement, the customer must be "made whole" (i.e. the customer is in as good or better position than prior to the trade), which includes the payment of interest or reimbursement for margin interest for the time period the customer's funds were tied up.
- When trade errors are identified and corrected prior to settlement (i.e. no customer funds were at risk), the firm will work with the executing broker and their custodian to determine whether they or the executing broker will retain any resulting gain or absorb any resulting loss as a result of the correction of the trade error.
- Where multiple transactions are involved, gains and losses resulting from the trade correction process may be netted prior to determining what amounts may be required to restore the customer to their original position.
- "Soft dollars" may not be used to pay for correcting trading errors.
- If an agency cross transaction is contemplated or created with respect to the correction of a trade error, the adviser should be sure that all proper disclosures are made and consents obtained, as required in Section 206(3)-2 of the Advisers Act.
- Advisers must periodically review their trade error correction policies and practices to determine that the firm's procedures are being followed.
- All trade errors must immediately be reported to the CCO or other appropriately designated person for review, investigation, and resolution.

5.8 Restrictions on Trading in Securities

Restrictions on both firm and personal securities trading by IARs and supervised persons are found in Section 5.7.8 and in the FA Code of Ethics. These restrictions cover personal trading practices, use of "inside information," and other conduct by individuals that would be deemed illegal or unethical.

5.8.1 Use and Misuse of Research

Recent SEC pronouncements and prosecutions have made it clear that there be no perceived connection between research recommendations by an adviser's personnel on particular securities and any investment banking, advisory or other business obtained by the adviser. In particular, the making of recommendations by an adviser's research personnel while in possession of material nonpublic information, whether or not the adviser or any employee actually trades, may have dangerous consequences if it is apparent that (a) this information was obtained in exchange for some favor or benefit or (b) the information was used as part of a program to benefit FA in obtaining additional business. Advisory personnel should be alert to discuss situations of this nature with the CCO as they arise.

FA's affiliated Broker/Dealer, Feltl and Company, does not currently employ research analysts who may from time to time come into contact with material inside information. Feltl and Company has established appropriate policies and procedures regarding the use of inside information obtained while in performance of their research function.

5.8.2 Misuse of Material Nonpublic Information

The SEC rules governing "material nonpublic information" are aimed at issuers and set forth detailed guidelines requiring the timely release of such information to the marketplace in order to avoid fraud penalties based on "market manipulation." The penalties for violating the rules fall not only on the issuers and their officers, directors or employees who may trade with knowledge of this "material nonpublic information," but are also applicable to so-called "tippees," persons not directly related to the issuer who obtain this information in advance of its release and then engage in market trades. The SEC monitors all trading in the securities of public companies. Where a "market manipulation" using "material nonpublic information" is suspected, each and every trade may be examined individually by the SEC, including interviews under oath followed by possible prosecutions, fines and jail sentences for those who are found to have profited from the misuse of this "material nonpublic information."

As a registered investment adviser, FA and its employees as well as FA customers may potentially, through research or other means, come into possession of "material nonpublic information." Therefore, FA personnel must be alert and aware of the SEC rules and regulations to be observed in order not to be caught up in a regulatory investigation or prosecution.

Regulation FD. In October 2000 the SEC adopted new Regulation FD (Fair Disclosure), which addresses selective disclosure. The Regulation provides that before an issuer, or person acting on behalf of an issuer, discloses "material nonpublic information" to certain persons (in general, securities market professionals – including investment advisers and holders of the issuer's securities who may trade on the basis of the information), the issuer or the issuer's representative must make public disclosure of that information. The timing of the required public disclosure depends on whether the selective disclosure was intentional or non-intentional. For an intentional selective disclosure, the issuer must make public disclosure simultaneously; for a non-intentional disclosure, the issuer must make public disclosure promptly.

5.8.2.1 Definition

"Material Nonpublic Information" is information:

- Not generally available to the public;
- Which the public has not had a reasonable opportunity to make an investment decision;
- Communicated in breach of a fiduciary duty owed by an employee or person under contract or professional relationship;
- Misappropriated from such a person;
- Resulting in a "substantial likelihood" that a reasonable investor would consider the information to be important in making an investment decision.

5.8.2.2 Examples

- Special briefing information provided to analysts and other securities professionals by company officials;
- Plans to purchase or sell specific securities by fund;
- Change in fund management, investment philosophy, or strategy;
- Merger, tender offer, joint venture or other acquisitions or similar transactions;

- Stock split or stock dividend or other change in dividend practice;
- Significant earnings change;
- Litigation;
- Default in a debt obligation or a missed or changed dividend;
- Sale or redemption of securities or change in ownership of a significant block of securities; or
- Change in a major product, customer or supplier.

Prohibited Disclosures. Rule 100(b)(1) of Regulation FD enumerates four categories of persons to whom selective disclosure of nonpublic information may not be made absent a specified exclusion. The first three are securities market professionals, including: (1) broker-dealers and their Associated Persons, (2) investment advisers, certain institutional investment managers and their Associated Persons, and (3) investment companies, hedge funds, and affiliated persons. These categories include sell-side analysts, many buy-side analysts, large institutional investment managers, and other market professionals who may be likely to trade on the basis of selectively disclosed information. The fourth category of person included in Rule 100(b)(1) is any holder of the issuer's securities, under circumstances in which it is reasonably foreseeable that such person would purchase or sell securities on the basis of the information.

Exemptions. Rule 100(b)(2) sets out four exclusions from the above prohibition: (1) communications made to a person who owes the issuer a duty of trust or confidence (i.e., a "temporary insider," such as an attorney, investment banker, or accountant); (2) communications made to any person who expressly agrees to maintain the information in confidence; (3) disclosures to an entity that is in the primary business of issuance of credit ratings, provided the information is disclosed solely for the purpose of developing a credit rating and the entity's ratings are publicly available; and (4) communications made in connection with most offerings of securities registered under the Securities Act of 1933.

Analyst Earnings Forecasts. In adopting the Rule 100(b), the SEC made the following comment on “analyst earnings forecasts”:

> One common situation that raises special concerns about selective disclosure has been the practice of securities analysts seeking "guidance" from issuers regarding earnings forecasts. ***When an issuer official engages in a private discussion with an analyst who is seeking guidance about earnings estimates, he or she takes on a high degree of risk under Regulation FD. If the issuer official communicates selectively to the analyst nonpublic information that the company's anticipated earnings will be higher than, lower than, or even the same as what analysts have been forecasting, the issuer likely will have violated Regulation FD.*** This is true whether the information about earnings is communicated expressly or through indirect "guidance," the meaning of which is apparent though implied. Similarly, an issuer cannot render material information immaterial simply by breaking it into ostensibly non-material pieces. At the same time, an issuer is not prohibited from disclosing a non-material piece of information to an analyst,

even if, unbeknownst to the issuer, that piece helps the analyst complete a "mosaic" of information that, taken together, is material. Similarly, since materiality is an objective test keyed to the reasonable investor, Regulation FD will not be implicated where an issuer discloses immaterial information whose significance is discerned by the analyst.

5.8.2.3 Penalties for Misuse

The law absolutely requires that an adviser and any Associated Person refrain from any "Personal Securities Transactions" until the material nonpublic information becomes public. Persons who are found to have abused the insider trading rules are subject to severe penalties, including loss of license, fines and damages.

5.8.2.4 Personal Securities Transactions

Inside information does not become "public" via special briefings, teleconferences, or analyst handouts. It only becomes public when it has been officially and formally disseminated to recognized news media AND has been published by such media. A "personal securities transaction" MAY be safely undertaken AT THE TIME, BUT NOT BEFORE the information "hits the tape."

5.8.2.5 Restricting Access

Possessing "inside information," in and of itself, is not a violation of the securities laws. It is often a necessary part of the investment management process. What is illegal is acting upon it, or willfully or negligently allowing others to act on it. FA employees who are in possession of such information must follow the procedures set forth below:

- Report the matter immediately to the CCO;
- Do not share the information with anyone other than as directed by the CCO; and
- Take no action on the information unless or until cleared by the CCO.

5.8.3 Restricted and Watch Lists

The CCO will be responsible for adding and removing securities from the restricted list. When a security is added to the restricted list, the CCO or his designee will provide notification via electronic communication. From time to time certain securities will be placed on one or both of two lists:

- A "restricted list" preventing any transactions in a security or group of companies by the firm or any of the firm's employees until further notice. These lists typically contain securities with which the firm may have inside information, or for whom the firm is performing corporate finance work; or

- A "watch list" identifying a particular company or group of companies with securities that are affected by sensitive information. This could include securities carried in customer portfolios that are being followed by the firm's analysts.

Trading activity within employee, employee-related, and firm accounts (where applicable) will be monitored to determine whether any securities on either of these lists have been purchased or sold while such security has been on either list. This monitoring will take place in conjunction with the firm's supervisory obligations under Rule 204A-1.

5.8.4 Mergers, Tender Offers, etc.

Information about impending merger transactions that have not yet been publicly announced is sensitive information. Securities of both companies will normally be placed on either the Restricted List or Watch List, depending on the circumstances.

5.8.5 Exception Reports; Investigations

The CCO will ensure that proper documentation of investigations of employee and other transactions or activities that may involve violations of FA policies on sensitive information" is maintained. The CCO will also be ultimately responsible for the appropriate resolution of any matters requiring investigation.

SECTION 6: SALES AND ADVERTISING

6.1 "Advertising" Defined

SEC Rule 206(4)-1 defines "advertising" as "any notice, circular, letter or other written communication addressed to more than one person, or any notice or other announcement in any publication or by radio or television, which offers (1) any analysis, report, or publication concerning securities, or which is to be used in making any determination as to when to buy or sell any security, or which security to buy or sell, or (2) any graph, chart, formula, or other device to be used in making any determination as to when to buy or sell any security, or which security to buy or sell, or (3) any other investment advisory service with regard to securities."

Any written communication sent to, or oral presentation made to, a customer or prospective customer or any broadcast that could be viewed as promoting advisory products or services may be subject to regulations regarding advertising by investment advisers. A communication need not take the form of a mass mailing or a paid newspaper, radio or television ad to be considered an "advertisement" for regulatory purposes. Items such as customer mailings and form letters containing performance information may be subject to SEC advertising guidelines.

6.2 Advertising Approval

The CCO must pre-approve all advertisements, including advertising copy, yellow page, and trade magazine inserts, internet web pages, seminar scripts, and the like.

6.3 "Fraudulent, Deceptive or Manipulative"

Section 206(4) of the Advisers Act prohibits registered advisers from engaging in any act, practice or course of business that is fraudulent, deceptive or manipulative, as more particularly specified by SEC regulations. This section defines "advertising" and sets forth certain prohibited practices, as well as the general prohibition on advertising "which contains any untrue statement of a material fact or which is otherwise false and misleading."

Use of the Terms "RIA" or "Investment Counsel" The SEC prohibits an adviser from representing or implying that it has been approved or endorsed by the Commission. An adviser may indicate that it is registered as an adviser and where applicable, as a broker. An adviser may not use the initials "RIA" (the adviser must spell out "Registered Investment Adviser") after the name of an individual as the use of these initials implies an educational or professional designation and is, therefore, misleading. An investment adviser may not refer to itself as an "investment counsel" or use the term to describe its business unless the principal business of the adviser is rendering investment advice and a substantial part of the adviser's business consists of rendering "investment supervisory services" as defined on Form ADV.

6.4 Compliance Review - Specific Practices

The SEC does not review advertising. All "advertising" materials must be submitted to the CCO for preliminary review and approval. The CCO will also ensure that copies of approved reviewed are maintained as required under Rule 204-2.

General Principles of Review

- **Form and Content.** An advertisement may be or become misleading because of the form of presentation, even though not substantively inaccurate.
- **Inference**. An advertisement is misleading if a customer is likely to infer mistaken information from an advertisement. An omission to state a material fact necessary to correct a misleading impression will be considered a violation, even though all the statements made are accurate.
- **Customer Sophistication.** This may be a factor in weighing the extent of required disclosures, typically in the area of performance information.

Specific Prohibited Practices:

- **Testimonials, Endorsements, Past Recommendations, Past Performance**. FA prohibits the use of testimonials, endorsements, past recommendations, or past performance with respect to the marketing of its advisory services.

6.5 Fund Prospectus and Sales Material

Where FA is recommending or purchasing third-party managed funds for its customer accounts, FA has an obligation to make sure that the customer has obtained a current copy of the fund prospectus at or about the time the investment is made. In most cases, this obligation is satisfied by making sure that the fund sponsor mails a copy of the prospectus with the confirmation.

No customer should receive "sales literature" regarding a fund that has not been reviewed for use by FINRA. Fund sponsors should be prepared to certify to FA that their sales literature has been reviewed. In particular, MORNINGSTAR and similar reports on fund status and performance take on the character of "sales literature" if they are distributed with a fund prospectus or as part of fund sales efforts. These reports need to be reviewed by FINRA in the form in which they are intended to be used by the sponsor before they can be distributed to prospective investors.

The account representative is responsible for ensuring all prospectus information delivered to customers is current within the last 13 months.

SECTION 7: RECORDS AND SECURITY

7.1 Records Retention Requirement

General Rule. All books and records listed below in this Section 7.1, unless specifically stated otherwise, shall be kept for a period of not less than six (6) years from the end of the applicable fiscal year. They must be retained in an appropriate FA office (typically the home office, but in certain cases, a branch office) during the first two (2) years, and be easily accessible for the remaining four (4) years – this may include off-site storage.

Entity Formation Records. Articles of incorporation, partnership or limited liability company organization documents, minute books, stock certificate books of the firm and any or predecessor must be maintained in the principal office of the firm and preserved until at least three (3) years after termination of the enterprise.

Electronic Records. SEC Rule 204-2 covers storage in electronic medium. The records required to be maintained and preserved pursuant to this rule must be immediately producible (within 24 hours) or reproduced by photograph on film or on magnetic disk, tape or other computer storage medium, and be maintained and preserved for the required time in that form. If records are produced or reproduced by photographic film or computer storage medium, the investment adviser shall:

- Arrange the records and index the films on computer storage medium so as to permit the immediate location of any particular record;
- Be ready at all times to provide, and promptly provide, any facsimile enlargement of film or computer printout or copy of the computer storage medium, which the Commission by its examiners or other representatives may request;
- With respect to records stored on computer storage medium, maintain procedures for maintenance and preservation of, and access to, records so as to reasonably safeguard records from loss, alteration, or destruction, and
- With respect to records stored on photographic film, at all times have such records available for Commission examination, maintain facilities for immediate, easily readable projection of the film and for producing easily readable facsimile enlargements.

7.1.1 Journals

Rule 204-2(a)(1) requires an adviser to keep a journal of cash receipts and disbursements and any other records forming the basis of entry in any ledger.

Also Rule 204-2(c) requires the following additional records for investment managers:

- Records of the securities purchased and sold, the date, amount and price of each such transaction for each customer;
- A securities position list showing the current amount of interest of each customer in each security in which that customer has a position;
- Proxy voting.

7.1.2 Auxiliary Ledgers

Rule 204-2(a)(2) requires an adviser to keep general and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts.

7.1.3 Brokerage Orders

Rule 204-2(a)(3) requires an adviser to keep a memorandum of each order given by the adviser for the purchase or sale of any security, of any instruction received by the adviser from the customer concerning the purchase, sale, receipt or delivery of a particular security and of any modification or cancellation of any such order of instruction. Such memoranda must show the terms and conditions of the order, instruction, modification or cancellation; shall identify the person connected with the adviser who recommended the transaction to the customer and the person who placed such order; and must show the account for which the transaction was entered, the date of entry and the bank, broker or dealer by or through whom the transaction was executed where appropriate. Orders entered pursuant to the exercise of discretionary power must be so designated.

7.1.4 Check Books

Rule 204-2(a)(4) requires an adviser to keep all check books, bank statements, canceled checks and cash reconciliation of the adviser .

7.1.5 Bills and Statements

Rule 204-2(a)(5) requires an adviser to keep all bills and statements (or copies thereof), paid or unpaid, relating to the business of the adviser.

7.1.6 Financial Statements

Rule 204-2(a)(6) requires an adviser to keep all trial balances, financial statements and internal audit working papers relating to the business of the adviser.

7.1.7 Written Communications

Rule 204-2(a)(7) requires an adviser to keep originals of all written communications received and copies of all written communications sent or received by the adviser and its Associated Persons (employees and full-time independent contractors) to any customer or any other person or firm relating to any of the following:

- Recommendations and other advice given or proposed to be given. The adviser must retain a memorandum describing any list (and the source thereof) of names and addresses of persons to whom offers of any report, analysis, publication or other investment advisory service were sent to more than 10 persons where the material was actually sent to the persons on that list.
- Instructions from customers.
- Receipt, disbursement or delivery of funds or securities.
- Placing or execution of any order to purchase or sell any security.

Documentation relating to any recommendations given or proposed to be given should be kept in the customer file. Instructions received from customers are memorialized in the customer file.

7.1.8 E-Mail Retention

Rule 204-2 requires that e-mail records pertaining to the topics listed in Section 7.1.7 and all other Rule 204(2)(A)-11 records (such as advertising) be retained as if they were any other paper record, and include communications to or from Associated Persons that are sent or received in FA electronic communications systems or in personal e-mail. The SEC has taken the position that it is entitled to examine all relevant e-mail records, on whatever systems they may be located. Accordingly, it is the policy of FA (a) to require that all covered e-mail correspondence (including communications among Associated Persons) be conducted on the FA e-mail system and (b) that all e-mail to or from Associated Persons be archived at FA's offsite third-party service provider, Smarsh Inc. FA currently prohibits the use of instant messaging.

7.1.9 Powers of Attorney

Rule 204-2(a)(9) requires an adviser to keep evidence of all powers of attorney or any discretionary authority granted by any customer to the adviser or any other person/entity.

7.1.10 Written Agreements

Rule 204-2(a)(10) requires an adviser to keep copies of all written agreements entered into by the adviser with any customer or otherwise relating to its business of investment adviser.

7.1.11 Circulars and Advertisements

Rule 204-2(a)(11) states that an adviser must keep a copy of each notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication recommending the purchase or sale of a specific security, which the adviser circulates or distributes, directly or indirectly, to 10 or more persons (other than persons connected

with the adviser). If any communication does not state the reasons for the recommendation, the adviser must also keep a memorandum indicating the reasons.

7.1.12 Securities Transactions by FA and Employees

Pursuant to Rule 204-2(a)(12) FA maintains the following records relating to securities transactions in FA accounts, as well as the personal securities transactions of its associated persons where direct or indirect beneficial ownership of such accounts has been obtained.

The required records must state:

- The title and amount of the security involved;
- The date and nature of the transaction;
- The execution price; and
- The executing broker-dealer

All records must be obtained no later than 10 days after the end of the calendar quarter in which the transactions occurred.

Appropriate records are deemed to have been maintained if:

- The adviser receives and retains trade confirmations and/or account statements within the prescribed time period;
- The trade confirmations and/or account statements contain all of the required information;
- The adviser maintains trade confirmations and/or account statements as prescribed by the rules; and
- The trade confirmations and/or account statements are easily accessible and retrievable.

Excluded from the above are transactions effected in any account over which neither the adviser nor any advisory representative has any direct or indirect beneficial interest and transactions in securities that are direct obligations of the United States Government, bankers acceptances, CDs, commercial paper, etc. FA has developed and enforces a Code of Ethics that encompasses the requirements listed above.

7.l.13 Brochure Delivery, Receipt, Acknowledgment

Rules 204-2(a)(14) requires the adviser to retain copies of each brochure or other disclosure document(s) given to customers or prospects, together with a signed record of delivery of Form ADV Part II or brochure before the customer signs the contract. The adviser must retain a record of the dates that its Form ADV Part II or applicable brochure was provided or offered to be provided and a list of customers requesting the document.

7.1.14 Customer Account Records

FA maintains the following records as applicable to each customer account:

- Investor profile or questionnaire
- Investment advisory contract
- Account application and customer agreement
- Backup documentation (trustee/corporate authorizations, etc.)
- Portfolio analyses (if applicable)
- Communications with customers
- Receipts/disbursements
- Confirmations
- Account statements
- Accredited investor applications/documentation

7.1.15 Employee Records

FA maintains the following employee records as applicable to each employee:

- Application for employment
- Form U-4/Form U-5
- CRD registration records
- Annual questionnaire
- Personal transaction records
- Continuing education requirements
- Disciplinary records

7.1.16 Written Supervisory Procedures

FA maintains copies of its current and dated prior versions of its Written Supervisory Procedures and Code of Ethics, and any amendments thereto. FA also maintains records documenting its annual review of its Written Supervisory Procedures conducted pursuant to SEC Rule 206(4)-7(b). All such documentation is maintained under the supervision of the CCO.

7.1.17 Basic Documents

FA maintains copies of all documents pertaining to the formation of the business including articles of organization, by-laws, corporate minutes, etc., for the required period.

7.2 Security of Systems and Information

7.2.1 Policy

The systems and data owned and operated by FA are some of its most important assets. It is the policy of FA that, in order to preserve the confidentiality of information in the firm's possession, the firm's premises, electronic systems and all data relating to the firm's business be kept secure. All employees are charged with the responsibility to safeguard the firm’s physical premises and systems and all information in the firm's possession.

7.2.2 Access to Facilities, Electronic Systems and Data

It is the responsibility of the IT Director to provide security for the firm's physical premises and security and password-protected assess to all on-site and remote electronic systems owned or utilized by FA. The IT Director will provide policies and procedures for security and password protection and permission for authorized persons. No employee, consultant or other user shall have access to the physical premises or to such systems or data residing in such systems without proper authorization. All personnel must report immediately any suspected security breaches to the IT Director or CCO for investigation.

7.2.3 Reports and Other Communications

All reports produced on the firm's computer equipment or produced on or from other equipment but using the firm's data, including, but not limited to, correspondence, spread sheets and profit and loss reports, are the property of the firm and are deemed to have been prepared for the firm. Such material may be distributed to customers, potential customers or other members of the public only through approved channels, or with the prior approval of the CCO, and only with appropriate disclaimers printed on the material.

7.2.4 Customer Information

Personal information about customers, including names, addresses, social security numbers, etc., is protected by federal law. The law requires that the firm (a) inform each customer in advance as to its information practices through an annual Privacy Statement (b) permit the customer to prohibit release of any customer information to any third party and (c) follow internal practices and procedures to safeguard this information. All personnel should be aware of FA's policies and procedures in this area. Protected information should be safeguarded. All persons should be alert to avoid business and other relationships that risk the unauthorized release of customer information. FA's Privacy Policy can be found on the firm's website, and is also sent to customers upon opening of an account, and annually.

7.2.5 Corporate Policy and Procedures for Computer Security

FA depends upon its computers and the information they process to support its business and maintain its competitive advantage. The protection of these computers systems and data is so critical to the firm's success that every employee must be alert to possible risks and the security measures to protect against misuse.

Breaches of security and misuse of data are treated by FA as serious offenses. Persons involved in activities such as "hacking" into servers and databases, sabotage of web sites, malicious destruction of data or protocols, unauthorized programming, use of systems or data for non-corporate purposes will be swiftly disciplined and, if warranted, referred to appropriate authorities for further action.

Responsibility of Every Employee. Whenever an employee notices what appears to be improper use of the firm's computers or data, he or she should notify his or her supervisor at once. No employee shall divulge information from the firm's computers to any unauthorized persons. No employee shall use our computers for any activity outside of firm business, unless approved in advance by their supervisor.

How Users Protect Their Passwords. Since users are responsible for all activities associated with their passwords, they must prevent other people from accessing firm computer systems with their passwords. Therefore, all passwords must be kept secret. FA computers will be configured so as not to allow access until the correct password is entered. This means that any activity on the computer is the responsibility of the owner of the associated password.

Ownership of Information. All information maintained, produced, or otherwise residing on FA computer systems and/or files are the property of FA. All computer systems, programs, data, and other information developed, for whatever purpose, by employees of the firm are deemed to have been prepared for the firm. All rights in such systems, programs, data and other information shall belong exclusively to FA and no employee shall have any rights whatsoever in them.

No employee is to be considered the owner of such material and may not treat it in any way that might adversely affect the firm. This includes revealing such information or disseminating it to unauthorized persons or in a manner that allows it to be accessed by unauthorized persons.

7.3 Business Continuity Plan

FA has a Business Continuity Plan designed to deal with a major destruction or incapacity of its facilities and/or systems. The Business Continuity Disclosure can be found on the firm's website, and is also sent to customers upon opening of an account. The CCO is responsible for overseeing and implementing the plan.

Appendix A

FA ACCESS PERSONS

Name	Title(s)	Location(s) Where Person Regularly Conducts Business	Designated Supervisor
John Feltl	CEO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Mary Jo Feltl	President	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Mitchell Edwards	COO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mary Jo Feltl, President
David Rigazio	CFO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mary Jo Feltl, President
Dirk Van Krevelen	CCO	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mary Jo Feltl, President

Name	Title(s)	Location(s) Where Person Regularly Conducts Business	Designated Supervisor
Debra Palfi	Operations Manager	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mitch Edwards, COO
Paula Sweigert	Retirement Accounts Specialist	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mitch Edwards, COO
Brennan Olson	Director of IT	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Mitch Edwards, COO
Ethan De Nary	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Tim Wynne	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Bill Metz	Financial Advisor	20 West Kinzie, Suite 1700 Chicago, IL 60654	Dirk Van Krevelen, CCO
Greg Reiland	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Walter Narcum	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Beth Knutson	Financial Advisor	2829 Colt Drive SE, #228 Portland, OR 97202	Dirk Van Krevelen, CCO
Scott Robbins	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Steven Gray	Financial Advisor	201 East Vandalia Street Edwardsville, IL 62025	Justin McBride, Designated Principal
Justin McBride	Financial Advisor	201 East Vandalia Street Edwardsville, IL 62025	Dirk Van Krevelen, CCO
Todd Zipfel	Financial Advisor	201 East Vandalia Street Edwardsville, IL 62025	Justin McBride, Designated Principal
Scott Johnson	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Dana Buska	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN 55305	Dirk Van Krevelen, CCO
Eric Overvig	Financial Advisor	10900 Wayzata Boulevard Suite 200 Minnetonka, MN	Dirk Van Krevelen, CCO