



## **ADV Part 2A, Appendix 1 Wrap Fee Program Brochure**

**Dated: March 23, 2021**

Mercadien Asset Management, LLC

SEC File #: 801-61651

Contact: Kenneth A. Kamen, Chief Compliance Officer

3625 Quakerbridge Road

Hamilton, NJ 08619

609-689-2318

[www.mercadienasset.com](http://www.mercadienasset.com)

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Mercadien Asset Management, L.L.C. If you have any questions about the contents of this Wrap Fee Program Brochure, please contact us at 609-689-2318 or [kk@mercadien.com](mailto:kk@mercadien.com). The information in this Wrap Fee Program Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Mercadien Asset Management, L.L.C. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Mercadien Asset Management, L.L.C. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2      Material Changes**

There have been no material changes to this ADV Part 2A, Appendix 1 Wrap Fee Program Brochure since the most recent Annual Amendment filing on April 14, 2020.

Although not material, the Firm has made disclosure changes, enhancements and additions at Items 4, 5, 6 and 9 below.

## **Item 3      Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents .....	2
Item 4	Services, Fees and Compensation .....	3
Item 5	Account Requirements and Types of Clients.....	6
Item 6	Portfolio Manager Selection and Evaluation.....	6
Item 7	Client Information Provided to Portfolio Managers .....	10
Item 8	Client Contact with Portfolio Managers .....	10
Item 9	Additional Information.....	11

## **Item 4 Services, Fees and Compensation**

### **A. MERCADIEN ASSET MANAGEMENT WRAP PROGRAM**

Mercadien Asset Management, L.L.C. (“Registrant”) is the sponsor and investment manager of the Mercadien Asset Management Wrap Program (the “Program”). Client’s may engage Registrant to provide discretionary investment management services on a wrap fee basis in accordance with the Program. Clients participating in the Program shall receive, for a single specified fee: (1) active discretionary investment management services; (2) ongoing monitoring and review of account performance, client investment objectives and asset allocation from Registrant; (3) execution of brokerage transactions effected by “Independent Manager(s)” through Registrant’s affiliated SEC registered and FINRA member broker-dealer Mercadien Securities, LLC , an SEC registered and FINRA member broker-dealer clearing through RBC Correspondent Services (“Mercadien Securities”) and (4) account custodial/clearing services through RBC Correspondent Services Corporation, an SEC registered and FINRA member broker-dealer. All prospective Program participants are encouraged to review and ask any questions about this Wrap Fee Program Brochure before choosing to participate in the Program.

Before engaging the Registrant to provide investment management services, clients are required to enter into an *Investment Management Agreement* with the Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. After execution of the *Investment Management Agreement*, an investment adviser representative will ascertain each client’s investment objectives. Thereafter, the Registrant will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Registrant primarily allocates or recommends that its clients allocate investment management assets among various individual debt and/or equity securities, mutual funds, and exchange traded funds.

For those clients that require an enhanced and/or specialized level of investment management services, Registrant may also recommend that such clients authorize the Registrant to allocate, on a non-discretionary basis, the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) to be selected by the Registrant (the “Independent Manager(s)”) including Independent Managers in conjunction with the services provided by RBC Correspondent Services. The Registrant shall continue to render management services to the client relative to the ongoing monitoring and review of account performance, client investment objectives and asset allocation, for which Registrant shall receive an annual management fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s). Factors which the Registrant shall consider in selecting Independent Manager(s) include the client’s stated investment objective(s), management style, reputation, performance, financial strength, reporting, pricing, and research. The client is under no obligation to engage an Independent Manager[s]. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets,

are exclusive of, and in addition to, Registrant's ongoing investment management fee.

Those clients accounts are maintained at RBC Correspondent Services, may also participate in a RBC Correspondent Services-sponsored wrap fee program (the "RBC Wrap Fee Program"). The full terms and conditions of the RBC Wrap Fee Program shall be disclosed in the sponsor's Wrap Fee Brochure, a copy of which shall be presented to each prospective participating client. The RBC Wrap Fee Program includes investment management services (i.e., from the Registrant and the Independent Manager(s)), the execution of brokerage transactions, custodial services and reporting services. RBC Wrap Fee Program transactions will be executed through Mercadien Securities, Registrant's affiliated SEC registered and FINRA member broker-dealer, resulting in the commission portion of the RBC Wrap Fee Program fee being paid to Mercadien Securities, and thereby creating a conflict of interest (see below for more information concerning the execution of brokerage transactions).

Wrap Fee Payment: The Registrant charges an annual wrap fee for participation in the Program. The negotiable annual wrap fee is based upon a percentage (%) of the total market value and type of assets placed under management, generally between 0.25% and 2.00%, which shall be based upon various objective and subjective factors, including, but not limited to: anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client and the level and scope of the overall investment advisory services to be rendered. Registrant's annual wrap fee (and the RBC Wrap Fee Program fee) shall be prorated and debited quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter.

Registrant offers its investment advisory services on a wrap fee basis as a wrap program sponsor. Under Registrant's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. **Conflict of Interest.** Because wrap program transaction fees and/or commissions are being paid by Registrant to the account custodian/broker-dealer, Registrant could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. Additionally, different Independent Managers may charge different fees. Profit margins may be different across managers on the platform. This is a conflict of interest as Registrant's representatives may be incentivized to recommend or direct clients to the Independent Manager that provides the highest profit margin. Registrant's Chief Compliance Officer, Kenneth A. Kamen, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest.

Fee Calculation: The annual wrap fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of

1940, as amended (the "Act").

Participation in the Program may cost more or less than purchasing the Program's services separately from another investment adviser. The Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

The transaction fees and commissions incurred in client's accounts are paid by the Registrant to Mercadien Securities. Therefore, the Registrant has an economic incentive to minimize the number of trades in the client's account.

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

## MISCELLANEOUS

**Client Obligations.** Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying Registrant if there is ever any change in their financial situation or investment objectives so that Registrant can review, and if necessary, revise its previous recommendations or services.

**Investment Performance:** As a condition to participating in the Program, the participant must accept that past performance may not be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies purchased and/or undertaken by the Registrant) may not: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

- B. Participation in the Program may cost more or less than purchasing such services separately. Also, the annual wrap fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs. Depending upon the percentage of the annual wrap-fee charged by the Registrant, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the annual wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if the Registrant were to negotiate transaction fees and seek best price and execution of transactions for the client's account.
  
- C. The annual wrap fee does not include certain charges and administrative fees, including, but not limited to, fees charged by Independent Managers, transaction charges (excluding mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than

Mercadien Securities, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the annual wrap fee.

- D. If a participant is introduced to the Program by either an affiliated or unaffiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the annual wrap fee, and shall not result in any additional charge to the participant. If the client is introduced to Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Registrant's written Brochure, Wrap Fee Program Brochure and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Registrant and the solicitor, including the compensation to be received by solicitor from the Registrant.

## **Item 5      Account Requirements and Types of Clients**

Registrant's clients generally include individuals, high net worth individuals, pension and profit sharing plans charitable organizations, and other business entities

The Registrant generally requires a \$2,500.00 minimum fee and a \$250,000 account minimum for Program participation. Registrant, in its sole discretion, may reduce or waive the minimum fee and/or account minimum based upon certain criteria (i.e., a pre-existing client of Mercadien, P.C., CPAs, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.). If applicable, client accounts may also be subject to minimum requirements imposed by Independent Manager(s) and mutual funds.

As a result, our clients could pay diverse fees based upon the type, amount and market value of their assets, the anticipated complexity of the engagement, the anticipated level and scope of the overall investment advisory services to be rendered, negotiations. Additional factors effecting pricing can include related accounts, employee accounts, competition, and negotiations. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Kenneth A. Kamen, remains available to address any questions regarding advisory fees.

## **Item 6      Portfolio Manager Selection and Evaluation**

The Registrant may allocate a portion of a client's Program assets among unaffiliated Independent Managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated Program assets. The Registrant will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant considers in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The Registrant acts as the primary portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program may be more than what the Registrant would receive if the client paid separately for investment advice, brokerage and other services.

As the Program sponsor, the Registrant shall be responsible for the primary management of the Program, including the selection and termination of all Independent Manager(s). Once selected, Independent Manager(s) shall be responsible for day-to-day management and selection of securities for the account.

#### **ADV PART 2A, ITEM 4B**

**Investment Management:** Please refer to Item 4A of this ADV Part 2A, Appendix 1 Wrap Fee Program Brochure for a complete description of Registrant's Investment Management Services.

**Financial Planning:** To the extent requested by a client, the Registrant may also provide financial planning and/or related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. per the terms and conditions of a separate agreement and on a separate stand-alone fee basis as discussed at Item 4 above, the fee for which shall be based upon the individual providing the service and the scope of the services to be provided. . Before engaging the Registrant to provide stand-alone planning or consulting services, clients are required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Registrant commences services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes Registrant's representatives in his/her individual capacity as a registered representative of a broker-dealer. (See disclosures at Item 9 below/ADV Part 2A Item 10). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and

against the engaged professional. Please Also Note: It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Retirement Plan Consulting:** Registrant provides non-discretionary retirement plan consulting services, to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Registrant and the plan. For such engagements, Registrant shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Registrant), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

**Miscellaneous Disclosures:**

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant: if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services; or if he/she/it seeks to impose any reasonable restrictions upon Registrant's management services.

**Disclosure Statement.** A copy of ADV Part 2A or ADV Part 2A, Appendix 1 (as applicable) shall be provided to each client prior to or at the time of signing the Investment Management Agreement or Financial Planning Agreement.

**Retirement Plan Rollovers-No Obligation/Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Kenneth A. Kamen, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Fee Differentials.** Registrant shall price its services based upon various objective and subjective factors. In certain circumstances, Registrant, in its sole discretion, may charge a different fee

(higher or lower) to its clients based upon certain criteria such as: the market value of the assets under management, the complexity of the engagement, the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

#### **ADV PART 2A, ITEM 4C**

The Registrant provides investment management services specific to the needs of each client. Before providing investment management services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.

#### **ADV PART 2A, ITEM 4D**

The Registrant only provides investment management services on a wrap fee basis. As stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment management, brokerage, and custody.) The services included in a wrap fee agreement will depend upon each client's particular need. If the Registrant offered investment management services on a non-wrap fee basis (which it does not) the client would select individual services on an unbundled basis, paying for each service separately (i.e. investment management, brokerage, and custody).

Please Note: When managing a client's account on a wrap fee basis, the Registrant shall receive as payment for its investment management services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. In addition, the fees charged for participation in the Wrap Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

#### **ADV PART 2A, ITEM 6**

Neither Registrant nor any supervised person of the Registrant accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the client's assets) or incentive-related compensation arrangements with its clients.

#### **ADV PART 2A, ITEM 8A**

The Registrant may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices);
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts);
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices); and
- Cyclical – (analysis performed on historical relationships between price and market trends, to

forecast the direction of prices).

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year);
- Short Term Purchases (securities sold within a year).

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

#### **ADV PART 2A, ITEM 17**

The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

### **Item 7 Client Information Provided to Portfolio Managers**

The Registrant shall be the Program's portfolio manager. The Registrant will provide investment advisory services specific to needs of each client. Before providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at anytime, impose restrictions, in writing, on the Registrant's services.

As indicated above, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

To the extent the Program utilizes Independent Manager(s), the Registrant shall provide the Independent Manager(s) with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to the Registrant shall be communicated to the Independent Manager(s) within a reasonable period of time.

### **Item 8 Client Contact with Portfolio Managers**

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

## **Item 9        Additional Information**

### **ADV PART 2A, ITEM 9**

The Registrant has not been the subject of any disciplinary actions.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **ADV PART 2A, ITEM 10**

Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

As indicated at Item 4 above, Registrant does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, Registrant does not prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including:

Broker-Dealer: Certain of Registrant's representatives are also registered representatives of Mercadien Securities, Registrant's affiliated SEC registered and FINRA member broker. Clients can choose to engage those representatives in his/her individual capacities to effect securities brokerage transactions on a commission basis.

Conflict of Interest. The recommendation by Registrant or its representatives that a client purchase a securities commission product from Mercadien Securities presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities commission products from Registrant's representatives. The Registrant's Chief Compliance Officer, Kenneth Kamen, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Certified Public Accountant: Registrant does not render accounting advice nor tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, Registrant, if requested, will recommend the services of a certified public accountant, all of which services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and the certified public accountant. Mercadien, P.C., CPAs, is a certified public accounting firm principally located in Hamilton, New Jersey, which is affiliated with the Registrant. Certain members of Mercadien, P.C., CPAs, indirectly, relative to their respective ownership interests in The Mercadien Group, LLC, the seventy five percent (75%) owner of the Registrant, shall be entitled to receive ownership distributions from the Registrant.

To the extent that Mercadien, P.C., CPAs provides accounting and/or tax preparation services to any clients, including clients of the Registrant, all such services shall be performed by Mercadien, P.C., CPAs, in its separate professional capacity, independent of the Registrant, for which services Registrant shall not receive any portion of the fees (referral or otherwise).

It is also expected that the members of Mercadien, P.C., CPAs, solely incidental to their respective practices as CPAs, shall recommend the Registrant's services to certain of Mercadien, P.C., CPAs' clients. Mercadien, P.C., CPAs shall not currently receive any referral fees from the Registrant. Mercadien, P.C., CPAs is not involved in providing investment advice on behalf of the Registrant, nor does Mercadien, P.C., CPAs hold itself out as providing management services on behalf of the Registrant.

**Conflict of Interest.** The recommendation by Registrant that a client engage Mercadien, P.C., CPAs or its representatives in their capacities as Certified Public Accountants presents a conflict of interest, as Registrant could have the incentive to make such a recommendation based on funds received, rather than on a particular client's need. No client is under any obligation to engage Mercadien, P.C., CPAs or its representatives in such a capacity and clients are reminded that they may engage other non-affiliated Certified Public Accountants. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. **The Registrant's Chief Compliance Officer, Kenneth Kamen, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Insurance Agency:** The Mercadien Group, which is the 75% owner of Registrant, is also the sole member and owner of Mercadien Insurance Services, LLC, a New Jersey licensed insurance agency ("Mercadien Insurance"). To the extent that clients of the Registrant determine to engage the services of Mercadien Insurance, Registrant shall not receive any portion of the insurance commissions paid to Mercadien Insurance. Accordingly, Registrant's relationship with Mercadien Insurance is not material to its management business.

**Conflict of Interest:** The recommendation by Registrant or its representatives that a client purchase an insurance product from Mercadien Insurance presents a **conflict of interest**, as the receipt of fees generated may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance products from Mercadien Insurance. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. **The Registrant's Chief Compliance Officer, Kenneth Kamen, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Registrant does not receive, directly or indirectly, compensation from other investment advisors that it recommends or selects for its clients.

#### **ADV PART 2A, ITEM 11**

Registrant maintains an investment policy relative to personal securities transactions. This

investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Act, Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Registrant or any person associated with Registrant.

Neither Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.

Registrant and/or representatives of Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Registrant's clients) and other potentially abusive practices.

Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Registrant's "Access Persons". Registrant's securities transaction policy requires that an Access Person of Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Registrant selects; provided, however that at any time that Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

Registrant and/or representatives of Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

#### **ADV PART 2A, ITEM 13**

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's investment adviser representatives. All investment supervisory clients are advised that it remains their responsibility to advise the

Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

**ADV PART 2A, ITEM 14**

As referenced in Item 12.A.1 above, Registrant may receive an indirect economic benefit from Mercadien Securities. Registrant, without cost (and/or at a discount), may receive supportservices and/or products from Mercadien Securities (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, and/or mutual fund sponsor).

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Mercadien Securities or any other entity as a result of this arrangement. There is no corresponding commitment made by Registrant to Mercadien Securities or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Kenneth Kamen, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

If a client is introduced to Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Registrant and the solicitor, including the compensation to be received by the solicitor from Registrant.

**ADV PART 2A, ITEM 18**

Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance. Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts. Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Kenneth Kamen, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**