

# PINNACLE PROGRAM

# PART 2A

# APPENDIX 1

## PROGRAM BROCHURE

Current as of March 31, 2021

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This brochure provides information about the qualifications and business practices of Triad Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (770) 840-6042. Triad Advisors, LLC is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Triad Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

Triad Advisors, LLC filed its last annual amendment to its Pinnacle Wrap Brochure on March 28, 2020. Since then, the following changes have occurred:

- There have been changes to the direct owner of Triad Advisors, Inc. that are disclosed in the section Advisory Business and the section Other Financial Industry Activities and Affiliations.
- Duplicate disclosures throughout the entire document have been removed from the 2A and the applicable wrap fee program brochure. More specific details will now reside in the wrap fee program brochures, whereas general information about the Firm will continue to reside in the 2A.
- We have rewritten disclosure sections to enhance understandability and clarify details where appropriate. We consider these changes non-material unless otherwise mentioned in this summary.
- Item 9 – Additional Information: Certain disciplinary items have been removed due to time since occurrence.

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## Item 4 - Services, Fees and Compensation

The Pinnacle Program (“Program”) is sponsored by Triad Advisors, LLC (“Firm,” “us” or “we” or “our”), is an SEC-Registered Investment Adviser. Triad Advisors, LLC is also registered with the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities products (“Triad” or “Broker-Dealer”). Triad is a wholly-owned subsidiary of Advisor Group Holdings, Inc., which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2006 Trust.

The Program is presented to the client (“you”) by Investment Adviser Representatives (“Advisory Representatives”) of Triad Advisors, LLC or an independent registered investment adviser firm (collectively, “Advisor”). Please refer to the Advisor’s Form ADV 2A to determine if your Advisor is Triad Advisors, LLC or an independent registered investment adviser firm.

Clients who wish to participate in the Pinnacle Wrap Fee Program enter into an Investment Advisory Agreement (“Advisory Agreement”). The Advisory Agreement will set forth which Advisory Firm is providing consulting services to you.

### Advisory Services

Your Advisory Firm, through your Advisory Representative, provides investment management services through separate accounts established at Triad in the name of each client, and manages the investments of clients in personal, joint, trust, retirement and other types of accounts. Advisory Representatives have the ability to customize asset allocation, investment selection, and investment strategies to meet the client’s individual financial situation and investment goals. Accounts may be managed on either a non-discretionary or discretionary basis, as selected by the client in the Advisory Agreement. In non-discretionary accounts, the client must consent to each transaction. In discretionary accounts, the client grants the Advisory Representative the authority to place orders for transactions in the client’s account without obtaining the client’s permission for each transaction. Any limitations on the Advisory Firm’s discretion will be described in the Advisory Agreement. The Advisory Representative may manage and provide advice on mutual funds, stocks, bonds, exchange-traded funds (“ETFs”), limited partnerships (“LPs”), options, variable annuity sub-accounts, and other types of securities as approved by Triad. Advisory Representatives may also advise a client regarding assets that are not held in a Triad account.

Clients inform their Advisory Representatives of the investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the assets they designate for investment. Based on this information, the Advisory Representative may provide advice and/or manage client accounts by purchasing and/or selling stocks, bonds, mutual funds, exchange-traded funds (ETFs), options, and variable annuity sub-accounts. Advisory Representatives generally manage Pinnacle Accounts on a non-discretionary basis. This means that they will purchase or sell securities for accounts only as authorized by the client. Under certain circumstances, a client may grant the Advisory Representative discretionary trading authority over an account. Clients grant this discretion in the Advisory Agreement. This means that the Advisory Representative will buy and sell securities without consulting the client in advance.

Any restrictions on the management of an account imposed by a client may cause the Advisory Representative to deviate from the investment decisions or recommendations that the Advisory Representative would otherwise make with respect to the account.

Triad will act as broker-dealer for Pinnacle Accounts. For more information, see the section titled “Brokerage Practices” below.

National Financial Services, LLC (“NFS”), an unaffiliated entity, acts as custodian for Pinnacle Accounts.

### Program Costs

The Client pays a single fee (“Wrap Fee”) that covers the advisory services provided by the Advisory Representative, execution of transactions through Triad.

Your Advisory Firm earns management fees as compensation for investment management services. These fees are described in the Advisory Agreement and are negotiable. Management fees are typically determined by adding the Advisory Representative’s fee to the service fees Triad charges for brokerage services in the account. Both the

Advisory Representative's fee and the service fees are calculated according to a percentage of the account value, including cash in the account. The account value used to calculate the management fee will usually be the average daily balance in the account for the preceding billing period. Generally, for accounts on margin, management fees are calculated based on the net equity of the account, which is the value of cash and securities minus the amount of margin debt. The account value will be based on information provided by the custodian of the assets, the client or other third party, as applicable. Triad relies on the financial and other information that the client, any custodian, or any other third party provides to Triad. Triad does not independently verify this information nor does Triad guarantee the accuracy of such information. Clients generally instruct the custodian to accept instructions from Triad to debit the management fee from one or more of the client's accounts.

Management fees may be paid either quarterly or monthly, as specified in the Advisory Agreement. Fees will typically be paid in advance for the month or quarter in which the services will be provided. If quarterly, then shortly after the beginning of each calendar quarter, the account will be charged a prorated portion of the annual management fees, calculated by dividing the number of days in that quarter by the number of days in the year. If monthly, then shortly after the beginning of each month, the account will be charged a prorated portion of the annual management fee, calculated by dividing the number of days in that month by the number of days in the year. For new accounts, the initial management fee will typically be charged within sixty days after the account is funded. If the date of the initial charge of management fees falls within the quarter or month after the account was funded, the initial charge shall consist of the first full quarter or month plus a prorated fee for that portion of the prior quarter or month after the account became funded. On termination of any Advisory Agreement or the client relationship, unearned fees will be refunded to the client.

Clients may choose to use certain account assets to obtain a non-purpose or other loan or line of credit from an unaffiliated lender. The balance on collateralized loans will not offset the gross account value for purposes of calculating the management fee.

Your Advisory Representative may manage the assets of some clients through the Managed Account Solutions (MAS) program. MAS is an asset management tool that provides research, proposal generation, advanced order management, billing and performance reporting. Under the MAS program, Envestnet Asset Management ("Envestnet"), an unaffiliated registered investment adviser, provides a platform used by the Advisory Representative to manage the assets. In such cases the client will sign a separate agreement that describes what services your Advisory Firm, Triad and Envestnet will provide and the fees to be paid for those services. The fees are based on a percentage of the account value and will not exceed 2.75%. For Advisory Representative-managed accounts on the MAS program, accounts with margin balances are billed on the gross market value of all securities within the account. This results in a higher fee than would be paid under a non-MAS program managed account that is billed on the net equity of the account. Client assets managed under the MAS platform can be maintained in either a Pinnacle or non-wrap fee account.

The management fees charged by your Advisory Firm also do not cover any of the following separate charges the client may incur such as debit balances or related margin interest. The Management Fee also does not cover costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees, SEC fees or other fees or taxes required by law.

The Pinnacle Account is a "Wrap Fee" account. The client pays a quarterly Wrap Fee which is calculated based on a percentage of the value of the client's account. Fees are payable quarterly or monthly in advance and are automatically deducted from the account pursuant to the Advisory Agreement and not billed separately.

The Wrap Fees to be paid under the Pinnacle Account are described in the Advisory Agreement. The Wrap Fee rate may be either a simple percentage (for example, a maximum rate of 1.50%) or will be a blended rate, using two or more of the rate tiers set forth in the Advisory Agreement. The Wrap Fee covers the advisory services provided by the Advisory Representative, execution of transactions through Triad, and custodial services provided by NFS (unless otherwise agreed between the custodian and the client). A portion of the Wrap Fees will be paid to Triad as transaction-related service fees. These service fees are higher than the service fees paid in connection with the Apex Account. The Pinnacle Account has no minimum account size. Wrap Fees are negotiable. Wrap Fees may be slightly higher as compared to a non-"wrap fee" account of similar size and complexity.

The Wrap Fee consists of two parts - one payable to the Advisory Representative and the other to Triad for brokerage-related service fees. The portion of the Wrap Fee attributable to compensation to the Advisory Representative varies from one Advisory Representative to another but will generally be based on a percentage of

the account value and will not exceed 2.47% of the account on an annual basis. The total Wrap Fee, the Advisory Representative compensation (2.47% maximum) plus the Service Fee (0.28% maximum), will not exceed 2.75%.

The service fees are payable to Triad based on the following schedule and are negotiable:

<b>Account Value</b>	<b>Service Fee</b>
<b>\$0 — \$150,000</b>	<b>.28%*</b>
<b>\$150,001 — \$500,000</b>	<b>.28%</b>
<b>\$500,001 — \$1,000,000</b>	<b>.21%</b>
<b>\$1,000,001 — \$2,000,000</b>	<b>.18%</b>
<b>\$2,000,001 — \$3,000,000</b>	<b>.15%</b>

The service fees are calculated by multiplying the account value to the corresponding fee percentage shown above.  
\*Each account will be assessed a \$280 minimum service fee per year.

The Pinnacle Account may cost clients more money than what they would pay if they were purchasing services separately based on the following factors. An asset-based service fee arrangement typically assumes a normal amount of trading activity under average circumstances. Prolonged periods of account inactivity may result in higher costs to the client than the client would incur if transaction charges were paid separately. A client may fare better in another type of account available in the market that charges on a per-transaction basis.

In deciding between a wrap and non-wrap fee account, and in deciding whether or not to grant discretion to the Advisory Representative, a client should also consider the transactions costs and/or tax consequences that might result from rebalancing. Rebalancing involves restoring your original asset allocation by shifting your funds among investment categories to regain ratios that may have been decided initially upon designing your portfolio or decided during the course of your relationship with your Advisory Firm. Frequent rebalancing may incur additional costs and/or tax consequences compared to less frequent rebalancing. Either party may terminate the Advisory Agreement on written notice and a pro rata portion of any Wrap Fee paid by the client in advance will be remitted to the client based on the number of days left in the quarter.

## **Mutual Funds**

Please be aware that account fees are charged on all mutual fund shares that are designated as Program Investments, including shares on which you have previously paid a sales charge. Also, to the extent that cash used for investments in an account comes from redemptions of your other non-managed mutual fund investments, you should consider the cost, if any, of the sales charge(s) previously paid and redemption fees that would be incurred. Such redemption fees would be in addition to the account fee on those assets. Please be aware that such redemptions and exchanges between mutual funds that participate in the Program might have tax consequences, which should be discussed with your independent tax adviser.

You will bear a proportionate share of the fees and expenses of any mutual funds selected and for money market funds used as “sweep vehicles” for uninvested cash balances. These fees and expenses typically include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in Funds and are in addition to the account fee. Please read the prospectuses of the funds selected for a more complete explanation of these fees and expenses.

You have the option to purchase shares of mutual funds outside of the Program directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of the Program or paying the account fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge is determined by the mutual fund (as described in the mutual fund prospectus) and may be more or less than the applicable account fee.

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B, and C shares), certain mutual funds also offer institutional shares classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other shares classes. Clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

Triad has taken steps to increase the proportion of lower cost share classes that are utilized by your Advisory Representative. Regardless, however, clients may still be invested in other higher cost share classes with higher internal expenses when no lower cost share classes for a particular fund is available or the client is not eligible for the lower cost share classes due to the inability of the client to meet the investment minimums or any other restrictions imposed by the custodian.

In an effort to mitigate the above-referenced conflicts and meet current SEC regulatory expectations, Triad has created an Approved Advisory Products List ("Products List") to which Triad's advisory activities are subject. The selection of mutual funds and share classes for the Products List is based on a number of factors including expense ratio, availability, and supervision practicality. Triad has implemented procedures whereby no new mutual fund purchases may be made in advisory accounts unless such mutual funds and share classes have been approved and are listed on the current Products List. Further, to the extent that certain funds currently held in advisory accounts are on the Products List but not held in an approved class, Triad has a periodic process of converting all such holdings to an approved share class, without tax consequence and at no cost, in most cases.

Notwithstanding the foregoing, you should understand that despite its inclusion on the Products List, the share class offered for a particular mutual fund in many cases will not be the least expensive share class that the mutual fund makes available. Also, other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through Triad. We also note that to the extent that an advisory account includes mutual fund holdings that are unapproved as to both fund and share class, such funds may continue to be held in that account (although no new purchases shall be permitted).

Finally, we note that Triad's policies and procedures allow Triad's Advisory Representatives to formally request for both new inclusions to the Products List as well as (in rare cases) waivers from its applicability. Clients may find additional information relating to mutual fund share classes by visiting <http://www.finra.org/investors/alerts/understanding-mutual-fund-classes>.

The wrap fee may cost clients more or less than purchasing services separately depending on the frequency of trading in the accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other broker-dealers and other factors. Clients should understand that the wrap fee may be more costly than other investment account structures.

Advisory Representatives receive a substantial portion of the total wrap fee, which may be as high as 2.75% annually. This compensation may be more or less than what the Advisory Representative would receive if the client participated in other programs or paid separately for investment advice, brokerage and other services. The Advisory Representative may therefore have a financial incentive to recommend one or more of the programs described in this brochure over other programs or services. This presents a conflict of interest. Triad addresses these conflicts of interest through its policies and procedures that, among other things, require Advisory Representatives to make suitable recommendations and to act as a fiduciary to our clients.

However, in certain wrap fee programs, transaction or ticket charges are paid by your Advisory Representative's advisory firm. Because of this practice you should be aware that an Advisory Representative has a conflict of interest because of the incentive to limit trading activities in your account in order to minimize these costs. An account in which there are no transaction charges may cost more or less than a client would pay if investment advice, brokerage and other services were purchased separately. An arrangement with asset-based fees typically assumes a normal amount of trading activity and under particular circumstances. Prolonged periods of account inactivity result in higher compensation than if transaction charges were paid separately by clients for each transaction. In negotiating asset-based fees and transaction charges, Advisory Representatives will discuss with clients the impact of the size of their account and the likely turnover of the account based on the proposed strategy for their account. Advisory Representatives may also recommend an account structure which has varying transaction charges for certain security types (mutual funds, ETFs, equity, fixed income, options and alternatives), which are charged to the Firm. As a consequence, the client's Advisory Representative has a conflict of interest in recommending one security type over another as the Firm may receive less compensation in their choice of investments in managing

the client's account. As a fiduciary we are required to act in the client's best interest and manage these conflicts via periodic reviews of the client's accounts.

### **Bank Deposit Sweep Program**

The Bank Deposit Sweep Program ("BDSP") is the core account investment vehicle used to settle transactions and hold cash balances waiting to be reinvested for all eligible accounts except advisory IRAs (for advisory IRA accounts, see discussion of Insured Cash Account Program below). The cash balance in an eligible brokerage account is automatically deposited or "swept" into the BDSP, which uses an FDIC-insured bank deposit account. Available cash in your account is deposited through the BDSP into interest-bearing deposit accounts at one or more FDIC-insured depository institutions ("Program Banks"). The list of Program Banks and current interest rates for BDSP deposits are available from your Advisory Representative or on Triad's website at <http://www.triad-advisors.com/customer-information>. The maximum amount of FDIC insurance coverage for your deposits in the BDSP is up to \$1.5 million (for an individual account) or up to \$3 million (for a joint account). Funds deposited through the BDSP are not eligible for SIPC coverage.

The interest rate payable to you is based on the amounts paid by the Program Banks to us and less a fee retained by us, which may be up to 3% on an annualized basis as applied across all deposit accounts.

### *Insured Cash Account Program*

The Insured Cash Account Program ("ICAP") is the core account investment vehicle used to settle transactions and hold cash balances awaiting reinvestment offered for advisory IRA accounts exclusively. As with the BDSP, the cash balance in an eligible brokerage account is automatically deposited or "swept" into an FDIC-insured bank deposit account. Commencing in January 2018, the ICAP replaced the BDSP for advisory IRA accounts only. As noted above, the BDSP remains in place as the core account "sweep" vehicle for non-IRA accounts. The maximum FDIC insurance coverage for your deposits in the ICAP is identical to that for the BDSP noted above.

Each month, a level administrative fee is applied to advisory IRAs using the ICAP as the core account investment vehicle for administrative services performed in operating the program. The level account fee is predetermined by formula, as stated in the ICAP Disclosure Document, and we cannot earn income in excess of the stated level account fee. The aggregate interest generated by banks participating in the ICAP is used to pay the level account fee for each individual client and to pay any third-party vendor fees. All interest left over after these payments is then credited to client accounts in the program. A detailed explanation of the method for calculating interest and fees is available in the ICAP Disclosure Document, which is available from your Advisory Representative or on Triad's website at <http://www.triad-advisors.com/customer-information>.

### *Cash Sweep Program Disclosures*

In addition to its customary investment advisory fee, Triad also receives compensation in connection with cash balances held in these accounts as a broker-dealer. If cash is swept into the BDSP, ICAP or a money market fund, Triad receives compensation based on the value of assets in these funds or accounts as broker-dealer. This fee will reduce the amount of interest that clients receive in connection with cash held in their accounts. As noted, this compensation is in addition to the advisory fee that Triad receives with respect to the assets in the sweep investment. We will also pay a fee to NFS. Triad will not receive a fee in connection with the BDSP or ICAP with respect to cash in certain retirement accounts. In such cases, the fee will be retained by the custodian.

This compensation related to the BDSP, ICAP and sweep money market funds presents a conflict of interest to Triad because Triad receives a financial benefit if cash is invested in the BDSP, ICAP or the sweep funds. However, your Advisory Representative will not receive any portion of the BDSP or ICAP fee received by Triad. Triad has an incentive to recommend that clients select a money market fund or the BDSP or ICAP as a sweep vehicle as it may pay more compensation to Triad than other funds or available sweep options, if any. The revenue generated by us can be greater than revenues generated by sweep options at other brokerage firms. It can also be greater than other core account investment vehicles currently available to you or possible core account investment vehicles we have used in the past or may consider using in the future.

If you are eligible for the BDSP/ICAP and you open an account, you authorize Triad to establish the BDSP/ICAP as your core account investment vehicle. If your account is not eligible for the BDSP/ICAP, we provide you with access to other core account investment vehicles, including money market funds, to hold a cash balance waiting to be reinvested. Money market funds can lose value and have done so in the past. Different core account investment

vehicles can have different rates of return and different terms and conditions such as FDIC insurance or SIPC protection.

If your account is otherwise eligible but you do not wish to use the BDSP/ICAP as its core investment vehicle, we generally will not be able to maintain your account. You are not obligated to use any of our managed accounts and can select a managed account at another broker-dealer where similar programs may not exist. However, you would lose the benefit of having your account managed by your Advisory Representative and Triad.

Specific program features of the BDSP/ICAP are further explained in a separate disclosure document provided to all brokerage clients. For additional information on the BDSP/ICAP, including participating banks, please contact your Advisory Representative or on Triad's website at <http://www.com.triad-advisors.com/customer-information>.

#### *Material Conflicts of Interest*

A conflict of interest arises due to the financial incentive from offering sweep vehicles that generate third party payments to Triad's broker/dealer. Since additional compensation is earned by Triad through the sweep vehicles offered, a conflict of interest also arises due to an economic benefit derived by cash balances being swept into the program rather than reinvested in other investment funds or securities. This additional compensation is in addition to the management fee that Triad receives in connection with such balances pursuant to the client's advisory contract.

In addition, a conflict of interest arises as a result of the financial incentive for Triad to recommend and offer the Bank Deposit Sweep Program that may be viewed as a proprietary product, and that generates additional compensation, up to a maximum of 300 basis points annually. The foregoing conflicts of interest are mitigated under our policies and procedures, that have been adopted for this purpose, and by the fact that the Advisory Representative who makes investment recommendations for your program account does not receive any economic benefit from these payments.

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

#### **Types of Clients**

The Program is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, banks as well as other business entities.

#### **Minimum Account Size**

Triad does not impose an account minimum. Your Advisory Firm, if different from Triad, may impose an account minimum. Each Pinnacle Account will be assessed a \$280 minimum service fee per year.

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

Your Advisory Representative is the portfolio manager available with respect to the Program. Because your Advisory Representative is the portfolio manager in this Program you acknowledge that you have chosen him or her to act in this capacity. Advisory Representatives are selected by their Firms based on various criteria including experience. You should refer to the relevant Form ADV 2A of the Firm with which your Advisory Representative is associated.

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

Your personal identification, account and holdings data are disclosed to your Advisor to enable your Advisor to help determine the Program Investments that are suitable for you.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you

imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

A copy of the Firm's privacy notice is available in the disclosure section of our website: [www.com](http://www.com).

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

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments.

You should direct any questions that you have regarding the Program to your Advisor.

### **Item 9 - Additional Information**

#### **Disciplinary Information**

FINRA filed an administration complaint against Triad on March 12, 2014 (Case #2011025792001). On March 12, 2014, Triad entered into an Acceptance Waiver and Consent with FINRA resolving the complaint. The complaint concerned consolidated reports, branch audits, supervision, net capital, and Regulation S-P. Triad consented to a censure, a monetary fine of \$650,000, restitution to customers totaling \$375,000, and a review and revision to its consolidated reporting and branch audit processes.

The State of Florida instituted an administrative proceeding against Triad on July 22, 2015 (Case #OFR 2015-277). Florida alleged that a registered branch of Triad's broker-dealer failed to maintain a checks received blotter and that Triad failed to maintain a copy of the approval of the branch's stationery and a record of the broker-dealer representative's outside business activity. The matter was resolved by consent, with Triad agreeing to pay a monetary fine of \$7,500 and agreeing to cease and desist certain activity.

FINRA filed an administration complaint against Triad on February 23, 2016 (Case #2014042544301), due to Triad's failure to apply sales charge discounts to certain customers' eligible purchase of unit investment trusts ("UITs") in violation of FINRA Rule 2010. During the same time period, FINRA alleged that Triad failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases in violation of NASD Rule 3010 and FINRA Rule 2010. On February 26, 2016, Triad consented to a censure, a \$125,000 fine and restitution to customers totaling \$102,631.62.

#### **Other Financial Industry Activities and Affiliations**

Advisors that offer the Program may be "Related Persons" to us. You should see the ADV Part 2A of your Advisor that will be provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

#### **Code of Ethics**

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

We provide a copy of the Code to any client or prospective client upon request to their Advisory Representative.

Individuals who are covered by our Code (“Access Persons”) can buy or sell securities identical to those recommended to you for their personal accounts. In addition, any of our Related Person(s) may have an interest or position in securities which are recommended to you. Our Code requires Access Persons to report their personal securities holdings for review by us.

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

Your Advisor, who may be a Related Person to us, can recommend or buy and sell securities that it or its Related Persons’ have a financial interest in. Please see the ADV Part 2A of your Advisor for further details on these financial interests and associated conflicts of interest.

### **Indirect Compensation**

The Advisor and Broker-Dealer offer a range of investments and services to its clients. As you work with your Advisory Representative to determine the right investments and services to achieve your investment goals, it is also important for you to understand how your Broker-Dealer, Advisor, and Advisory Representative are compensated. This is because various forms of compensation create potential conflicts of interest, and it is important for you to assess potential conflicts of interest in making investment decisions.

To better understand how your Advisor and Advisory Representative are compensated, please refer to your Advisor’s Form ADV Part 2A. For additional information regarding Broker-Dealer compensation please refer to the “Indirect Compensation” disclosures in the “Disclosures” section of our affiliate broker- dealer website: ([www.triad-advisors.com](http://www.triad-advisors.com)).

### **Order Aggregation and Block Trades**

When the purchase or sale of a particular security is appropriate for more than one client account, trades for advisory clients may be aggregated. We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is our practice that these orders be “batched” for ease of execution. This is done principally to ensure that clients are treated fairly and that one client is not advantaged at the expense of another client. Trades with advisory clients may be aggregated with those of other clients of your Advisory Representative or the personal trades of your Advisory Representative’s accounts as well. Aggregate orders will not reduce your transactions costs. There may be several prices at which the securities transactions are executed, even though the orders were entered as one order for all accounts. Your Advisory Representative may aggregate all, none or some of client trades based on, among other things, a client’s investment guidelines and restrictions (including those on the use of discretion by the Advisory Representative) the type of securities and the size of the order.

Triad’s policies do not require your Advisory Representative to aggregate or block trade client orders. When an Advisory Representative chooses not to aggregate client orders for the same security a conflict of interest exists. In such instances, the adviser must decide which client order to place first which may result in one client receiving a better execution price over another client and will lead to certain client accounts receiving more favorable order executions over time. Triad does not monitor Advisory Representatives choosing not to aggregate orders to determine whether any one client or group of clients is systematically disadvantaged over time. It is our practice to treat all subject accounts equally when a block trade occurs, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of “batched” trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account. Triad may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating will, in certain circumstances, cost clients more money. Clients that are not included in block trading of other client accounts may receive a higher or lower price than clients that have been included in a block trading order. In order to ensure that no client or group of clients is favored over another, Triad retroactively reviews the block trading activity with respect to clients that are not included in block trades with other clients of an Advisory Representative for the same security on the same date.

### **Trade Errors**

Occasionally, a trading error may occur where either we, or our Advisory Representatives, are at fault for effecting one or more erroneous securities transactions for a client’s brokerage account. If this occurs in your account, the

error will be corrected, and your account will be restored to the same economic position had the error never occurred. In the process of restoring your account, a profit may be realized, or a loss suffered in connection with correcting this error. Neither losses nor gains realized will be passed on to you. As a result, trade corrections can result in a financial benefit to us or our affiliated broker/dealers.

### **Directed Brokerage**

Directed brokerage occurs when an investment adviser complies with the client's request to use a designated broker or custodian. The practice of directing brokerage is not required by all advisers and Triad generally does not permit it. Rather, Triad requires that clients maintain their brokerage assets in accounts at NFS. This practice may be based in part on the benefit to Triad or the availability of some of the foregoing products, services and other arrangements, and not solely on the nature, cost or quality of custody and brokerage services provided by NFS, which creates a conflict of interest. Triad has policies and procedures in place to prevent conflicts of interest from influencing recommendations made by our Advisory Representatives and to assure that recommendations are consistent with our duties to clients. Clients are able to direct brokerage transactions to a third party for certain types of securities. Directing brokerage may cost clients more money because, as an example, Triad will not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

### **Review of Accounts**

Your Advisor periodically reviews your account and contacts you annually. For further account review details, please see the ADV Part 2A of your Advisor.

### **Client Referrals and Other Compensation**

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. For further details on compensation and other economic benefits that your Advisor receives, please see their ADV Part 2A.

### **Financial Information**

Your Program assets will be custodied at National Financial Services, LLC. The Program does not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We have no financial condition that might impair our ability to meet our contractual commitments to clients, and have never been the subject of a bankruptcy proceeding.

# Privacy Policy

V1.5

<b>FACTS</b>	<b>WHAT DOES TRIAD ADVISORS DO WITH YOUR PERSONAL INFORMATION?</b>	
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<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing of your personal information. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully in order to better understand what we do.
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<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security Number, Date of Birth, Address, contact information and Income</li> <li>• Assets and Investment Experience</li> <li>• Account Transactions and Retirement Assets</li> <li>• Tax Reporting and Investment Performance Information</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
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<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Triad Advisors chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does Triad Advisors share?	Can you limit this sharing?
<p><b>For our everyday business purposes.</b></p> <p>To administer, manage and service customer accounts, process transactions and provide related services for your accounts, it is necessary for us to provide access to personal information within the Triad Advisors, LLC companies and to certain nonaffiliated companies. We may share your personal information:</p> <ul style="list-style-type: none"> <li>• To process your transactions, maintain your account(s), respond to court orders and legal investigations, report to credit bureaus, government entities with parent and affiliated companies of Triad Advisors, LLC including and not limited to: <ul style="list-style-type: none"> <li>• Triad Hybrid Solutions, LLC</li> <li>• Ladenburg Thalmann Financial Services Inc. and its affiliated companies</li> <li>• Advisor Group, Inc. and its affiliated companies</li> </ul> </li> <li>• With nonaffiliated entities that perform services for us or function on our behalf (such as check printing services, clearing broker-dealers, investment companies, and insurance broker companies) with third-party administrators and vendors for the purposes of providing current and future information on your account (such as transaction history, tax information and performance reporting).</li> </ul>	Yes	No
<p><b>For our marketing purposes</b></p> <p>To offer our products and services to you</p>	Yes	No
<p><b>For our Affiliates to market to you</b></p> <p>Affiliate companies that you do not have an existing relationship with</p>	Yes	Yes
<p><b>For nonaffiliates to market to you</b></p>	No	We don't share
<p><b>For joint marketing with other financial companies</b></p> <p>Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans and other financial companies where a formal agreement exists between us and them to provide or market financial products or services to you. However, we will not share your information with these financial companies for marketing purposes if your financial professional is not affiliated with them without your consent, but we may share information with these financial companies where necessary to service your accounts.</p>	Yes	No

<p><b>For customers of financial institutions and Triad Advisors</b></p> <p>If you are a customer of a bank, credit union, or other financial institution program with which we have a networking agreement (such as under a bank or credit union investment services program), we may share your information with internal auditors of the financial institution or in response to requests from regulators of the financial institution. If the financial institution terminates its relationship with us, we will permit the financial institution to retain copies of your personal information so your account can continue to be serviced at the financial institution. If you do not want the financial institution to disclose your personal information to another brokerage or investment advisory firm ("New Firm"), you may request that we and/or your financial institution limit the information that is shared with the New Firm.</p>	<p>Yes</p>	<p>Yes</p>
<p><b>For clients of Independent registered representatives and investment advisors and Triad Advisors</b></p> <ul style="list-style-type: none"> <li>• If your financial professional terminates his or her relationship with us and moves to a New Firm, we or your financial advisor may disclose your personal information to the New Firm, unless you instruct us not to. If you do not want us or your financial professional to disclose your personal information to the New Firm when your financial professional terminates his or her relationship with us, you may request that we and your financial professional limit the information that is shared with the New Firm.</li> <li>• Your personal information may also be shared with certain entities that are owned, controlled by or affiliated with your financial professional, such as an independent insurance agency, accounting firm or independent investment advisory firm.</li> <li>• In the event your financial professional (or his/her estate) agrees with an unaffiliated financial professional or unaffiliated brokerage or investment firm to sell all or some portion of his/her securities, advisory or insurance business your personal information may be shared with the acquiring financial professional and/or the New Firm.</li> </ul> <p>If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California, Massachusetts, Maine, New Mexico, North Dakota, or Vermont), except to the extent that the laws of your state of residence provide for exceptions to the consent requirement, then you must give your written consent before we will share, or will allow your financial professional to take any of your personal information to that New Firm.</p>	<p>Yes</p>	<p>Yes</p>
<p><b>Who we are</b></p>		
<p><b>Who is providing this notice?</b></p>	<p>Triad Advisors, LLC, a dually registered broker-dealer and registered investment adviser. Our affiliates covered under this privacy notice include the following entities:</p> <ul style="list-style-type: none"> <li>• Triad Hybrid Solutions, LLC</li> <li>• Ladenburg Thalmann Financial Services Inc. and its affiliated companies</li> <li>• Advisor Group, Inc. and its affiliated companies</li> </ul>	
<p><b>What we do</b></p>		
<p><b>How does Triad Advisors and its Affiliates protect my personal information?</b></p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We train our employees and financial professionals in the proper handling of personal information. We require companies that help provide our services to you to protect the confidentiality of personal information they receive.</p>	
<p><b>How does Triad Advisors and its Affiliates collect my personal information?</b></p>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Open an investment account or an advisory account</li> <li>• Apply for insurance</li> <li>• Seek advice about your investments</li> <li>• Share information about your investments or retirement portfolio</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>	
<p><b>Why can't I limit all sharing?</b></p>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• Sharing for Affiliates' everyday business purposes information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>	
	<p>You may limit the sharing of your personal information ("Opt-Out") by calling 1-800-720-4003.</p> <p>Please note: When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p> <p>In the event you decide to Opt-Out, your decision will be recorded as limiting the sharing of personal information for all applicable options. In other words, if you Opt-Out your personal information will not be shared by Triad Advisors or an Affiliate: (i) with your financial professional's new broker-dealer in the event he or she leaves Triad Advisors or an Affiliate and joins a New Firm or sells his/her securities, advisory or insurance business to a nonaffiliated company; (ii) with affiliated entities of your financial professional or any bank or credit union that your financial professional is affiliated with; and (iii) with Affiliates of Triad Advisors that you do not already have an existing relationship with for the purpose of marketing products or services to you.</p>	
<p><b>Questions?</b></p>	<p>Go to <a href="http://www.com">www.com</a></p>	