

**SILVER OAK SECURITIES, INC.**

**Form ADV Part 2A, Appendix 1  
AdvisorFX Wrap Fee Program Brochure  
March 15, 2022**

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**This wrap fee program brochure provides information about the qualifications and business practices of Silver Oak Securities, Inc. If you have any questions about the contents of this brochure, please contact by telephone at (731) 668-3825. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.**

**Additional information about Silver Oak Securities, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) .**

**Please note that the use of the term "registered investment adviser" and description of Silver Oak Securities, Inc. and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firms' associates who advise you for more information on the qualifications of our firm and its employees.**

## Item 2 - Material Changes:

**Silver Oak Securities, Inc.** filed its last annual amendment to this Wrap Brochure on March 19, 2021. Since that time, the following material changes have been made:

- Item 4 was updated to reflect the addition of a AdvisorFX, a UMA Strategist program and to describe the program.
- Item 4 was updated describe the Program Costs, Fees and Other Charges, Material and Conflicts of Interest for AdvisorFX.
- Item 5 was updated to reflect the minimum account size for AdvisorFX.
- Item 6 was updated to describe Portfolio Manager Selection and Evaluation, including an overview of due diligence methodology, for AdvisorFX.
- Item 9 was updated to include additional disciplinary information.
- Item 9 was updated to discuss Other Compensation that may be accepted by our Financial Professionals.

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

Silver Oak Securities, Inc. (“SOSI”) is the sponsor of the AdvisorFX wrap program described below. Our services are provided to you through your relationship with individuals who are investment advisor representatives of SOSI or individuals and entities that are independently registered as investment advisors (collectively referred to herein as “Financial Professionals”). Our wrap programs are discretionary in nature; meaning, neither SOSI nor your Financial Professional need your consent to changes Strategists, Models, or to place trades in your account. We do not offer non-discretionary services for our wrap program.

We provide investment advisory services and arrange brokerage and custody services for an inclusive fee. To join our wrap program as a client, you are required to execute the pertinent client investment management agreement, which contains additional terms and conditions regarding the program and your account, your relationship with us, and your relationship with your Financial Professional.

We also offer other investment advisory services not discussed in this brochure. For information regarding these services, please refer to SOSI’s Form ADV, Part 2A located at <https://adviserinfo.sec.gov/firm/brochure/46947>.

You should be aware of the differences between the fee-based services outlined in the Brochure and commission-based services that are separately available for unmanaged brokerage accounts. We encourage you to review and discuss our Form CRS with your Financial Professional.

If you choose to establish a wrap account with SOSI, your account will be established at either Schwab Advisor Services (“Schwab”) or TD Ameritrade (“TD”). The decision to use Schwab or TD is made in conjunction with your Financial Professional. Generally, a Financial Professional will use one of the custodians and not the other. However, depending on your needs, only one of the custodians might be a viable option. For example, one custodian could be recommended when you need an individual 401(k) account because that custodian offers active management of 401(k) accounts on a platform that is not currently available on the other custodian’s platform. We have chosen to use Schwab and TD as qualified custodians based on past experiences, costs and other offerings or services that they provide. A conflict of interest exists because other broker-dealers and custodians charge fees that could be more or less than using Schwab or TD through SOSI. SOSI is not related to or affiliated with Schwab or TD.

#### **Advisory Services**

Our Wrap Program, AdvisorFX, is a Unified Managed Account (“UMA”) platform. A UMA platform allows for the management of multiple “sleeves” of investments within a single account. AdvisorFX utilizes the services of outside, Independent Money Managers (“Strategist”) to manage account sleeves of ETFs, individual stocks or bonds, and cash or cash equivalents. Each Strategist is a registered investment advisor not otherwise affiliated with SOSI. SOSI will work with each Strategist to design an investment portfolio and provide ongoing

corresponding asset management services on a fee-only basis for a percentage of assets. Financial Professionals may also manage one or more sleeves within a AdvisorFX UMA account. In all cases each AdvisorFX UMA account must have at least one Strategist sleeve and may not consist of only a Financial Professional managed sleeve.

Strategists are responsible for the construction of the Models, selection of securities for the Models, on-going monitoring of the Models and communication of Model changes to SOSI. SOSI, acting as discretionary overlay manager, implements any changes in Model allocations and Securities selections in client accounts. Asset allocations and/or securities in the Models can be adjusted or replaced at any time. Reallocating assets can trigger short-term redemption fees and will trigger taxable events except where Individual Retirement Accounts or other qualified retirement plans or accounts are involved.

Certain Strategists are made available to us through our relationship with Orion (“Orion Strategists”). In addition to Strategist availability, Orion performs initial due diligence on these Strategists and integrates Strategist trading signals into Orion’s trading engine to provide additional operational efficiencies to SOSI. Other Strategists have direct relationships with SOSI (“Direct Strategists”). This means that SOSI is fully responsible for due diligence and input of Strategist signals into Orion’s trading engine.

Based on investment objectives, financial and tax status, risk tolerance and time horizon information you provide to us, your Financial Professional will assist you in choosing an appropriate Model(s). Your initial selection of one or more Models will be set forth in Schedule A of the Wrap Program Agreement (“Agreement”). SOSI has the discretionary authority to replace any Strategist or Model selected at any time. Any restrictions on management of an account imposed by you can cause the Model to deviate from the Model construction decisions made by the Model Manager. There is no guarantee that a Model will achieve your investment objectives.

**Program Costs**

Accounts participating AdvisorFX will generally be charged an asset-based fee (“Wrap Fee”) in arrears on a quarterly basis. The Wrap Fee will be calculated based on the ending account balance as of the prior quarter end. The Wrap Fee includes the Platform fee, Strategist Fee, and the fee payable to your Financial Professional (“Advisor Fee”) and includes both custody and trading costs. The maximum annual Wrap Fee is outlined in the table below.

<b>Program</b>	<b>Platform Fee</b>	<b>Strategist Fee</b>	<b>Maximum Advisor Fee</b>	<b>Maximum Wrap Fee</b>	<b>Per Account Fee</b>
AdvisorFX	0.20%	0.00% - 0.80%	1.50%	1.70% - 2.50%	\$0

The Platform Fee for AdvisorFX is non-negotiable; is based on your total account value, excluding the value of any loaned out or margin securities; and is subject to a quarterly minimum of \$25 per account. The Platform Fee for AdvisorFX is a fixed percentage. The

Platform Fee for AdvisorFX can be increased in the future upon written notice from us to you 30 days prior to the first billing period in which the new calculation will be applied.

The Platform fee covers access to account data in Orion, performance reporting, account aggregation, portfolio management, reporting, billing, invoicing, client portal, planning portal, and overlay trade management by SOSI. For Orion Strategists, the Platform Fee also covers SOSI's cost for access to Strategists, Orion's due diligence of Strategists, and Strategist's trading signals from Strategists to SOSI through Orion. For Direct Strategists, the Platform Fee also covers SOSI's due diligence of Strategists and SOSI's input of Strategists trading signals into Orion to enable trading of applicable accounts.

Your Financial Professional determines the Advisor Fee to charge based on factors such as total amount of assets involved in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services. The Advisor Fee is negotiable between you and your Financial Professional. The actual fee rates paid by you will be set forth in Schedule A of the Agreement. You should consider the level and complexity of the consulting and/or advisory services to be provided when negotiating the Advisor Fee with your Financial Professional.

For clients that choose to have their account value combined with the account value of another client, ("Household"), for the purpose of receiving a lower fee via a tier or breakpoint billing structure, there can be certain instances where their account number and account values will be viewable to each party in the household. Wrap Fees charged for householded accounts will be less than Wrap Fees when accounts are billed individually.

The Wrap Fee is deducted from the client's account when due. SOSI will liquidate money market shares to pay the fees and, if insufficient money market shares or cash are available, other investments will be liquidated to pay the fees. The investment(s) to be liquidated will be selected at random by your Financial Professional or SOSI. Authorization for the automatic deduction of fees from your account(s) is contained in the Agreement. At any time, we reserve the right to liquidate a portion of all of the other assets in any AdvisorFX account to cover the applicable minimum balance, thereby incurring additional charges.

Fees are typically deducted directly from your account. However, you can also decide to have the fee deducted from an alternate account. The account used for debiting generally must be a non-qualified account on a platform approved for fee-debiting. To arrange this, you must provide the custodian with written authorization to have fees deducted from your account and paid to us through the proper Agreement. The custodian sends statements, at least quarterly, showing all disbursements for the account, including the amount of the Account Fee, if deducted directly from the account. Fee deduction will be made by the qualified custodian holding your funds and securities. Further, the qualified custodian agrees to deliver a monthly or quarterly account statement directly to you (never through SOSI) showing all disbursements from the account. You are encouraged to review all account statements for accuracy. SOSI will form a reasonable belief that such statements are delivered to you. You can terminate

authorization for automatic deduction of the fee by notifying your Financial Professional in writing. In turn, your Financial Professional will notify the SOSI home office promptly and your account will be closed.

Some Financial Professionals may generate account statements or performance reports for clients. You are urged to compare the account statements from the custodian with those from your Financial Professional, and you should immediately inform us of any discrepancy noted between the qualified custodian records and the reports you receive from us. Discrepancies can occur because of reporting dates, accrual methods of interest, dividends and other factors. The custodial statements you receive on a monthly and/or quarterly basis are from a qualified custodial company that is operationally independent of SOSI and the Financial Professional and serve as the official record of your accounts maintained with the qualified custodian for tax purposes.

### **General Information Concerning Fees and Other Client Charges**

1. Custodian Charges: The Wrap Fee does not include miscellaneous and ancillary fees and charges assessed by the custodian. Such charges may include, but are not limited to, wiring fees, dealer mark-ups/mark-downs or dealer spreads, electronic fund and wire transfers, SEC fees, trade-away fees, alternative investment custody fees, debit balance or related margin interest, foreign exchange fees, odd-lot differentials, IRA fees, transfer taxes, exchange fees, non-sufficient funds fees, transfer fees, or other fees or taxes as required by law.
2. ETFs: The Wrap Fee does not include the expenses of the individual ETFs. Each of the ETFs bears its own operating expenses, including compensation to the fund or sub-account advisor. By investing in ETFs, you indirectly bear the operating expenses of the ETFs because these expenses will affect the share price of an ETF. Fund expenses vary from fund to fund according to the actual amounts of expenses incurred and fluctuations in the fund's daily net assets. Further information regarding charges and fees assessed by an ETF are available in the prospectus and statement of additional information, which you should read carefully.

To the extent that cash used for investment comes from redemptions of a client's mutual fund or other investments outside of the Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the Wrap Fee on those assets.

3. Retirement Accounts: There are additional fees relating to IRA and Qualified Retirement Plan accounts such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.
4. Performance-Based Fees: We do not charge performance fees to our clients.

### **Material Conflicts of Interest**

By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution

costs are passed directly through to you by the executing broker. Factors to consider include the type and size of the account, the securities to be bought or sold and the historical and/or expected size or number of trades. For example, accounts with low trading volumes, high cash balances, or significant fixed income weightings may be able to receive similar services at a lower cost outside of a wrap fee program. Additionally, other investment advisory firms may charge the same or lower fees than our firm for similar services.

We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for certain executed trades.

The amount of compensation received by your Financial Professional in AdvisorFX can be more than what they would receive if you participated in a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded. Therefore, your Advisor could have a financial incentive to recommend a Wrap program over other programs or services.

For Orion Strategists, SOSI pays a portion of the Platform Fee directly to Orion for services provided by Orion to SOSI as described in this brochure. For Direct Strategists, SOSI does not pay an asset-based portion of the Platform Fee to Orion; however, SOSI bears the cost and is fully responsible for those services provided by Orion for Orion Strategists. Depending on the internal costs associated with these services that are performed by SOSI for Direct Strategists relative to the assets associated with Direct Strategists, SOSI will make more or less than if the assets were associated with Orion Strategists. This creates a conflict of interest whereby SOSI will have a financial incentive to promote Direct Strategists over Orion Strategists if we receive more compensation. SOSI will mitigate this conflict by maintaining a neutral stance relative to all Strategists when marketing to, or discussing Strategists with, our Financial Professionals.

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

### **Types of Clients**

The Program is available to individuals (including high net worth individuals), banking or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, state and municipal governmental entities, as well as other business entities.

### **Minimum Account Size**

The minimum amount of assets required to open a AdvisorFX account varies depending on the Model selected and ranges from \$10,000 to \$100,000 based on various factors, such as average number of Model positions and expected annual turnover. Should the market value of an account fall below the stated minimum, SOSI has the right to require that additional monies be deposited to bring the account value up to the required minimum or close the account.



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

We select Orion Strategists for participation in the Program from a list provided by Orion. On an ongoing basis, Orion reviews Strategists participating in the Program to determine whether they continue to meet Orion's guidelines and evaluation criteria. If Orion detects relevant information at any time (including qualification and/or performance concerns), we will generally follow Orion's recommendation as to whether to continue to include the Strategist as an investment suitable for AdvisorFX. We receive research, performance information and other information from Orion about Strategists but do not independently verify or guarantee the accuracy or validity of this information received from Orion, or any other source. Further, there is a chance the performance information that we receive from Orion may not be calculated on a uniform or consistent basis.

For approved Strategists, Orion employs a multi-phase approach in its evaluation ("Due Diligence"). As part of the Due Diligence, certain types of information are analyzed, succession plan, demonstrated repeatable investment process, firm investment alongside investors, compensation alignment with investors' best interest, assets under management, expense ratio of underlying securities, tracking error vs. benchmarks, and track record. Also reviewed are the Strategist's Form ADV Part 2 disclosure events, as well as portfolio holdings reports that help demonstrate the Strategist's securities selection process and the prospectuses of the Funds. Orion also conducts quarterly due diligence calls, conducts an on-site visit annually, and creates an annual due diligence research report. Certain Strategists may be added as an accommodation in certain limited circumstances, e.g., clients who wish to join AdvisorFX and want to retain previously hired Strategists not on our list.

Direct Strategists are evaluated using a variety of data and information from one or more resources, which include: Form ADV Part I, Part 2A, Form CRS, CRD and IARD to review control persons, public or private independent databases, responses to periodic due diligence questionnaires, quantitative and qualitative information, research, performance reports, and other pertinent information concerning the manager.

While all Strategists are subject to a due diligence process, your Financial Professional is responsible for determining whether any particular Strategist or Model is appropriate and suitable for use by you. An explanation of how your Financial Professional selects a Strategist can be found in Item 4 of this brochure under Advisory Services. If your situation changes and your Financial Professional determines that a particular selected Strategist is not managing your portfolio in a manner consistent with your current goals and investment objectives, your Financial Professional may recommend a different Strategist to re-align with your current stated goals and objectives.

Neither we nor your Financial Professional make any representations regarding the future performance of any investment strategy of, or security recommended by, any Strategist participating in the AdvisorFX. As always, past performance is not a guarantee of future results.

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

SOSI does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

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

Investing in securities involves risk of loss that you should be prepared to bear. Risks associated with the strategies described below include:

- Capital risk – The risk that your investments may lose value.
- Currency risk – If the assets you invest in are held in another currency there is a risk that currency movements alone may affect the value.
- Financial risk – The risk that there may be a disruption in the internal financial affairs of the investment, thereby causing a loss of value.
- Market risk – The risk that the value of a security or portfolio will decrease due to the change in value of the overall market.
- Credit risk – The risk of loss arising from a borrower who does not make payments as promised.
- Interest rate risk – The risk that an interest-bearing asset, such as a bond, will lose value due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

Your Financial Professional may use one or more of the following methods of analysis in formulating investment advice or managing assets:

- Fundamental – Analyzes individual investments in relation to expectations regarding the market and international and national economic indicators, such as GDP growth rates, inflation, interest rates, exchange rates, productivity, and energy prices.
- Technical – Analyzes past market data trends, primarily price and volume, in an attempt to forecast the direction of securities prices.
- Cyclical – Analyzes past economic and market cycles in an attempt to forecast the direction of securities prices.
- Computer model – Software programs utilizing statistics and probability, calculus, and econometrics to produce trading signals for the purpose of timing portfolio re-allocations.

Your Financial Professional may use one or more of the following investment strategies in managing your assets:

- Buy and hold (passive management) - A long term investment strategy based on the view that in the long run financial markets give a good rate of return despite periods of volatility or decline. This viewpoint also holds that short-term market timing, i.e. the concept that one can enter the market on the lows and sell on the highs, does not work so it is better to simply buy and hold.

- Market timing (active management) - A strategy of making buy or sell decisions of financial assets by attempting to predict future market price movements. The prediction may be based on an outlook of market or economic conditions resulting from technical or fundamental analysis. This is an investment strategy based on the outlook for an aggregate market, rather than for a particular financial asset.
- Momentum investing (active management) – A strategy of buying securities that have had high returns over a specific historical time period (ex. the twelve months) and selling those that have had poor returns over the same period.
- Strategic asset allocation - A strategy that involves the establishment of a long-term target allocation in major asset classes such as stocks, bonds, and cash based on portfolio objective, risk tolerance, and time horizon.
- Tactical asset allocation – A strategy that attempts to overweight those asset classes that are expected to outperform on a relative basis and underweight those expected to underperform. Financial and economic variables (“signals”) are used to predict performance and assign relative short-term asset-class weightings.

The strategies described above may utilize a combination of long-term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), or options contracts (non- discretionary only and limited to purchases of put options where the account is long the underlying security & writing covered calls). Frequent trading in your account can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investment strategies and recommendations may be based upon consideration of any of the following:

1. Diversification – for the purpose of balancing risk while maintaining the possibility of gain; or,
2. Risk Factors – including the risk of capital loss (market risk) and the risk of loss of purchasing power (inflation risk), and the client’s understanding of, and financial ability to bear, such risks; or,
3. Asset Balance – taking into consideration short and long-term liquidity needs, blending of lesser and greater risk approaches, and combining income, growth, and safety concepts; or,
4. Discipline – emphasizing commitment and follow through over a reasonable period of time in order to permit the investment plan or recommendations to achieve the intended/pursued result; or,
5. Income Tax Considerations, but these should not replace the economic benefits as the principal determinant of investment decisions.

### **Voting client securities**

We do not vote on behalf of clients.

### **Item 7 - Client Information Provided to Portfolio Manager(s)**

Your personal identification, account and holdings data are disclosed to your Financial Professional to enable your them to help determine the Investments and/or Strategist Models that are suitable for you.

Your Financial Professional provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective and 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 full copy of our Privacy Policy is provided upon the establishment of a new advisory relationship, and is provided each year thereafter. You may request a copy of our Privacy Policy at any time and a copy will be furnished within a reasonable period of time to you at your current address of record.

### **Item 8 - Client Contact with Portfolio Manager(s)**

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

## Item 9 - Additional Information

### **Disciplinary Information**

1. On August 3, 2016, The Connecticut Banking Commissioner entered a consent order with respect to Silver Oak Securities, Inc., a broker dealer and investment adviser with its main office, at that time, at 3339 North Highland, Jackson, TN 38305. The firm also maintained a branch office at 100 Great Meadow Road, Ste. 502, Wethersfield, CT 06109. Sharing office space at the Wethersfield location is JB Capital LLC, headed by Joel Mark Johnson. Registered agents of Silver Oak Securities, Inc. conducted investment-related activities under the name of "Johnson Brunetti." The consent order was the outgrowth of an examination and investigation that cited certain firm irregularities and deficiencies involving 1) Recordkeeping relating to the sale of alternative investments; 2) The firm's supervisory system 3) The use of signature stamps by Silver Oak, Inc. and its agents; and 4) the firm's employment of an unregistered investment adviser agent. The alternative investment recordkeeping issue prompted division concerns regarding concentration levels and product suitability.

The consent order fined the firm \$35,000 and directed it to cease and desist from regulatory violations. In furtherance of its desire to settle the matter informally with the department, the firm represented and undertook that (1) the firm had implemented supervisory and compliance procedures responsive to the issues raised in the consent order; (2) securities personnel at the Wethersfield branch would be placed on heightened supervision for twelve months; (3) within ninety days, the Wethersfield branch would hire a Series 24 Principal to review and approve all new accounts at the branch; (4) within ninety days the firm would hire an independent consultant to perform a compliance review of the Wethersfield branch's securities and advisory operations; (5) within 120 days, the firm would hold a branch compliance conference for Wethersfield branch securities personnel; and (6) for two years, the firm would conduct annual audits of the Wethersfield branch.

2. SOSI consented and paid a monetary fine in the amount of 1,500.00 on July 25, 2016 to the State of Nevada, Office of the Secretary of State, Securities Division. The allegations made by the state were failure to comply with NAC 90.392 which requires the licensing of a branch office in the state of Nevada for the period of September 13, 2011 through January 4, 2013.
3. On December 5, 2013, Silver Oak Securities Inc. as a broker dealer signed an Acceptance, Waiver & Consent (AWC) and received a censure and fine in the amount of \$10,000 by Financial Industry Regulatory Authority (FINRA) for allegations of violation of FINRA Rule 2010 and NASD Rule 3010, regarding the sale of non-traditional ETFs by a single registered representative. FINRA stated that Silver Oak did not investigate the characteristics and risk of such products before allowing its registered representative to recommend them to customers or provide its registered representative any training.

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

1. Broker-Dealer: Silver Oak Securities, Inc. has dual registration as a registered investment adviser and a registered broker dealer with the Securities and Exchange Commission. Our firm's management persons and most of our associated Financial Professionals are registered representatives of Silver Oak Securities, Inc., a broker-dealer and member FINRA/SIPC. In their capacity as registered representatives, Financial Professionals may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that the Financial Professional recommend that a client invest in a security which results in a commission being paid to them.
2. Insurance: Mr. Billy Hopkins has ownership interest in an insurance company. Our management persons and most of our associated Financial Professionals are also licensed insurance agents/brokers with various insurance companies/agencies, and in such capacity, may recommend, on a fully disclosed basis, the purchase of insurance related products. This presents a conflict of interest to the extent that the Financial Professional recommend that a client purchase an insurance product which results in a commission being paid to them.

To mitigate these conflicts of interest, we have policies and procedures in place to monitor whether any securities or advisory recommendations are in your best interest. All such transactions are effected in compliance with the Advisers Act and other applicable law, including our duty to seek best execution.

3. Other Business: Since Financial Professionals are independent contractors of SOSI, they have the ability to engage in certain other business activities separate from the activities they conduct through us. Some of our Financial Professionals are permitted to be employed by, or own, a financial services business entity, including an investment adviser business, separate from SOSI. Such activities may also include tax preparation, insurance, and/or real estate services. When your Financial Professional is actively engaged in outside business activities (other than the provision of brokerage and advisory services through us), they could receive greater compensation through the outside business activities. Such activities, and related conflicts of interest will be disclosed in your Financial Professional's Form ADV Part 2B. Your Financial Professional is required to provide their Form ADV Part 2B prior to, or at the time of, your establishing an advisory relationship with us.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to prevent conflicts of interest, we have in place a set of procedures with respect to transactions effected by our members, officers and employees for their personal

accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

### **Review of accounts**

Financial Professionals are in charge of providing all investment advice and conducting ongoing reviews of all accounts for their respective client accounts. Therefore, you will need to contact your Financial Professional for the most current information and status of your accounts.

For managed accounts, reviews are provided on an ongoing basis, typically based on a schedule agreed upon by you and your Financial Professional. We do not impose a specific review schedule that all Financial Professionals must follow. Generally, the calendar is the main triggering factor for client reviews. However, more frequent reviews can be provided to any account depending on, among other issues, changes to your financial situation, personal situation or changes in market conditions. Clients are expected to notify us of any changes in their financial situation, investment objectives, or account restrictions that could affect their account.

Although not every Financial Professional provides an annual financial review to every client, SOSI encourages you to request such a review to discuss with your Financial Professional such things as account performance, changes in your investment objectives, goals and financial situation, tax planning, estate planning, retirement planning and any other questions you have concerning your portfolio. If you receive only financial planning services, you are charged a separate fee for meetings with your Financial Professional. You should read carefully the agreement with SOSI to determine the amount of such separate fees, if any.

In addition to the reviews provided by the Financial Professional, the SOSI home office also reviews transaction suitability for accounts managed by Financial Professionals.

Clients are provided with monthly or quarterly account statements from the qualified custodian, depending on the activity in the account. Reports include details of client holdings, asset allocation, and other transaction information. Also see “Custody” for additional information on custodians.

Financial Professionals may provide clients with additional account review reports. Comparisons to market indices and account performance may be used to evaluate account performance in connection with these review reports. We recommend comparing the account statements you receive from the independent custodian with those you receive from us. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us. Information in these account review reports may be provided by clients or third-parties. We do not independently verify information provided by a custodian, client or other third party, nor does SOSI guarantee the accuracy or validity of such information.

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

1. Referrals from Custodian: Schwab and TD Ameritrade may refer financial professionals to us, and these professionals may become registered Financial Professionals of our firm. These referrals from our Custodians raise potential conflicts of interest. Custodians will most likely refer Financial Professionals to us when we encourage the Financial Professionals to custody their clients’ assets at the referring firm and whose client accounts are profitable to the Custodians. Consequently, in order to obtain referrals, SOSI has an incentive to recommend to clients that the assets under management be held in custody with the referring firm and to place transactions for client accounts with that same Custodian. We do not pay referral fees to Custodians for providing us with these referrals. This arrangement does not diminish our duty to seek best execution of trades or our duty as a fiduciary to act in the client’s best interest.
2. Solicitor Arrangements: We may pay referral fees (non-commission based) to independent solicitors for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the



Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

3. Other Compensation: As discussed above some Financial Professionals are (1) registered representatives of SOSI in our capacity as a broker-dealer and (2) insurance agents. In these capacities, Financial Professionals will receive commission compensation for product sales. If your Financial Professional acts in one or both of these capacities, it will be disclosed to you on the Financial Professional's Form ADV Part 2B.
4. Loans and Other Compensation to Financial Professionals: In very limited circumstances, SOSI may provide a loan Financial Professionals at the time of the affiliation with the firm. The loan is typically used to assist with costs associated with transitioning from their prior firm to SOSI or to repay an outstanding loan with the Financial Professional's prior firm. If the amount of the loan exceeds the cost of transition, the recipient uses the remaining funds for other purposes, such as normal operational costs. Some loans are forgiven based on certain criteria such as tenure with SOSI.

The receipt of a loan presents a conflict of interest in that the Financial Professional has a financial incentive to maintain a relationship with us and to recommend SOSI to clients. However, to the extent that the Financial Professional recommends SOSI to clients, it is because they believe that it is in the client's best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by us. All such loans will be fully disclosed on the Financial Professional's Form ADV Part 2B until such time as the loan is repaid or fully forgiven.

Some Financial Professionals receive transition assistance which can include but is not limited to technology services, administrative support, business card and letterhead printing costs, and mailing costs. This represents a conflict of interest in that the Financial Professional has a financial incentive to affiliate with and recommend SOSI to clients.

5. Equity Investment in SOSI: Certain Financial Professionals who are accredited investors are offered the opportunity to invest in SOSI. All shareholders are fully disclosed on SOSI's Form ADV Part 1 that can be found at <https://adviserinfo.sec.gov/firm/brochure/46947>.
6. Cash/Non-Cash Compensation: Certain product sponsors provide your Financial Professional with economic benefits as a result of your Financial Professional's recommendation or sale of the product sponsors' investments. These other products and services can benefit SOSI and/or your Financial Professional but may not benefit you. The

economic benefits received can include but are not limited to, financial assistance or the sponsorship of national or regional conferences, client meetings or other events. It can also include educational sessions, marketing support, payment of travel expenses, occasional business entertainment, including meals, virtual entertainment and invitations to sporting events, including golf tournaments, educational opportunities and tools to assist your Financial Professional in providing various services to clients. These services can include but are not limited to, software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of fees from clients' accounts, and assist with back-office training and support functions, record-keeping and client reporting. Some of these services may be used to service all or some substantial number of accounts, including those that are not specifically maintained by an individual product sponsor. These services are intended to help manage and further develop the business of SOSI and your Financial Professional and can include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. Some product sponsors may make available, arrange and/or pay vendors for these types of services or discount or waive fees it would otherwise charge. These economic benefits may be received directly by your Financial Professional or indirectly through SOSI who have entered into specific arrangements with product sponsors. A recommendation/requirement that clients maintain their assets in accounts based in part on the benefit to your Financial Professional or SOSI or the availability of some of these products and services and other arrangements and not solely on the nature, cost or quality of custody services provided create a potential conflict of interest. These economic benefits could influence your Financial Professional to recommend certain products/programs over others.

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

Your Financial Professional can recommend or buy and sell securities that it or its Related Persons' have a financial interest in. Please see the ADV Part 2B of your Financial Professional for further details on these financial interests and associated conflicts of interest.

#### **Financial information**

We do 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.