

City Center Advisors, LLC

Policies & Procedures Manual

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1. INTRODUCTION

This Compliance Manual has been developed to introduce you to the policies relating to the Investment Advisory practices of City Center Advisors, LLC ("City Center Advisors"). It is designed to be a permanent record that will be reviewed annually and updated by City Center Advisors.

City Center Advisors is a Securities and Exchange Commission ("SEC") Registered Investment Advisor with its principal office and place of business located at: 888 W. Big Beaver Rd., Suite 1220, Troy, MI 48084.

City Center Advisors endeavors at all times to operate in conformity with federal and/or applicable state laws and to conduct its business in the highest ethical and professional manner. This Compliance Manual has been prepared to accomplish two things:

First, it should provide City Center Advisors' principals, advisory representatives and employees with an awareness of the requirements of the laws, rules and regulations governing investment advisor and agent activities. Second, it should provide City Center Advisors' procedures and policies designed to ensure that its operations meet those requirements.

This Compliance Manual should be kept available for easy reference. You are asked and encouraged to raise questions, criticisms or comments about the manual. Suggestions for changes or additions are welcome. **David Joel Hardin II has been designated Chief Compliance Officer. Any questions regarding compliance issues must be directed to David Joel Hardin II Chief Compliance Officer.**

City Center Advisors expects you to be thoroughly familiar with the policies and procedures as set forth in this manual. Adherence to the policies and procedures set forth will help to achieve our goal of uniform compliance and to maintain the interests of City Center Advisors' clients first.

1.1 *Use and Distribution of this Compliance Manual*

This Compliance Manual is a basic part of City Center Advisors' Compliance Program. Each principal, officer, supervisor and advisory representative (and any associated person/employee) who participates in or has responsibilities in connection with the advisory activities (hereafter referred to as an "advisory person") will be provided a copy of this Compliance Manual. This Compliance Manual is intended to be revised and supplemented from time to time.

Each officer, principal, manager, supervisor or any other person having managerial or supervisory responsibilities must:

- a. Be familiar with and understand the contents of the Compliance Manual;
- b. Provide new employees, including trainees, with a copy of this Compliance Manual;
- c. Ensure that all holders of the Compliance Manual whom you supervise are familiar with and understand the contents of the Compliance Manual, and use it in day-to-day activities; and
- d. Ensure that any supplements to the Compliance Manual are distributed to advisory persons under your supervision with proper instructions for use with the Compliance Manual.

In the event any employee, after a review of this Compliance Manual and a signed acknowledgment as to understanding and agreeing to abide by City Center Advisors' policies and procedures, violates any provision, policy or procedure as outlined in this Compliance Manual, the employee may be subject to sanctions by City Center Advisors, including termination of employment or affiliation. The Signed Acknowledgement is attached in (Exhibit D).

1.2 *The Fiduciary Standard*

City Center Advisors is a fiduciary to our advisory clients. The State has stated that investment advisors owe their clients several specific duties as fiduciaries. A client of City Center Advisors is defined as an individual or entity who has received all required disclosures with a signed Agreement. According to the State, the fiduciary duties include the provision of advice that is suitable for the client, full disclosure of all material facts and potential conflicts of interest, utmost and exclusive loyalty and good faith, best execution of client transactions, and the exercise of reasonable care to avoid misleading clients.

1.3 City Center Advisors Policy: Fiduciary Policy

As a registered investment advisor, City Center Advisors has a fiduciary duty to each client of City Center Advisors. The policy of City Center Advisors is to protect the interests of each of City Center Advisors' clients and to place the client's interests first in each situation. City Center Advisors' fiduciary duty also includes providing full and fair disclosure of all relevant facts and any potential or actual conflicts of interest, a duty of loyalty and good faith, providing recommendations that are suitable, and seeking best execution of all client transactions, among other things.

2. REGISTRATION

2.1 SEC Registration

City Center Advisors is registered as an Investment Adviser with the Securities and Exchange Commission ("SEC") and City Center Advisors has filed "notice" in states where City Center Advisors believes such filings are required.

State Registrations

In general, a notice filing is required in a state where City Center Advisors: (i) has a place of business; (ii) holds itself out as an investment adviser; (iii) has more than five (5) **clients** (the statutory minimum varies from state-to-state); or (iv) has IARs with a place of business in that state. The CCO shall monitor whether Advisor anticipates engaging any client located in Louisiana New Hampshire, Nebraska and Texas, as these states do not currently have a statutory minimum. The CCO shall ensure that Advisor is at all times properly notice filed and its IARs licensed as required by applicable federal and state rules and regulations. Prior to accepting any clients in a jurisdiction where City Center Advisors is not notice filed or its IARs are licensed, the CCO shall ensure that City Center Advisors is notice filed in such states and that at least one IAR is registered, if necessary.

Unless otherwise permitted by regulation, City Center Advisors may not solicit or **render** investment advice for any client domiciled in a state where City Center Advisors not properly notice filed. City Center Advisors will maintain a list of Clients by state of residency and monitor the state residences of Clients to ensure compliance with the national de minimis standard and state regulations. State notice filing/ registration of City Center Advisors and our investment advisor representatives may be required, based on the number of Clients residing in the state, unless the national de minimis or an applicable exemption exists. In addition, notification of the establishment of a branch or termination of a branch is a requirement in a number of states. Notification is required within specific periods regarding opening or closing branch offices. Some states require prior notification, for example, with thirty (30) days prior notice, and some states require notification after the event.

Definitions of "branch office" vary from state to state, so if we employ advisory person(s) outside the main office location, we need to review each state's branch office definition and requirements.

Advisor Registration

Investment Advisory Representatives refer to the individuals associated with City Center Advisors, which renders investment advice on behalf of City Center Advisors. There are currently no federal regulations that require examinations or minimum qualifications of investment adviser representatives. However, most states require either the FINRA sponsored brokerage exam Series 7 **and** the investment adviser exam Series 66, or the investment adviser exam Series 65, or a professional designation (CFA, CFP, or ChFC, PFS, etc.)

Under state regulations, the definition of an investment advisor representative varies greatly from state to state. In some states, any individual who solicits Clients for an advisor must be registered as an advisor of City Center Advisors. In other states, only those who actually provide investment advice must be advisors. In others, the person(s) who supervise investment advisors must themselves be registered as an investment advisor. City Center Advisors is required to conduct an in-depth review of individual state registration requirements prior to soliciting business in any state in which we and/or each individual is not registered. The CCO must receive notice of any disciplinary events of an investment advisor representative and will immediately update the Form U4 on file to reflect the related disclosures. The CCO will file Form U5 immediately upon termination of an investment advisor representative.

Renewals

City Center Advisors will renew the firm and IAR registrations on a timely basis. Renewal requirements vary widely from state to state. Procedures stated below have been developed to ensure renewals are processed each year. City Center Advisors's procedures for the renewal process are as follows:

- a. Fund account via the E-Bill system on the IARD
- b. Update the ADV Part 1 and ADV2 for annual filing
- c. Update other documents based on review and make required changes
- d. To review, edit and ultimately approve all documents for renewal
- e. Electronically sign the ADV1, and upload the ADV2, via the IARD system.

Continuing Education ("CE") for IARs

Each IAR registered with City Center Advisors in a state that has adopted CE requirements for IARs must adhere to the following for each calendar year after their initial registration is granted:

- a. Complete 6 credits (a credit is 50 minutes of educational instruction) of IAR Regulatory and Ethics Content offered by an Authorized Provider, with at least 3 credits covering the topic of ethics; and
- b. Complete 6 credits of IAR Products and Practice Content offered by an Authorized Provider.

Each IAR is responsible for ensuring that the Authorized Provider reports the IAR's completion of the applicable IAR CE requirements. An IAR who fails to comply with this rule at the end of the reporting period (12-month calendar year) will renew with "CE Inactive" at the close of the calendar year until the IAR completes and reports all required IAR CE for all Reporting Periods. An IAR who is CE inactive at the close of the next calendar year is not eligible for IAR registration or renewal.

An IAR who completes CE in excess of the amount required for the reporting period may not carry forward excess credits to a subsequent reporting period.

Withdraw from SEC Registration

If City Center Advisors reports on its annual updating amendment assets under management less than \$90 million, City Center Advisors shall withdraw from registration with the SEC by filing the Form ADV-W electronically through the IARD within 180 days of City Center Advisors's fiscal year end—unless City Center Advisors can rely on another exemption for purposes of maintaining its federal registration. The withdrawal will be effective immediately upon filing. The Form ADV-W will also permit City Center Advisors to request "partial withdrawal" if it is continuing in the business as a state-registered adviser. The ADV-W should not be filed until City Center Advisors has been approved with any necessary states in which City Center Advisors conducts investment advisory services.

3. DISCLOSURE DOCUMENT

City Center Advisors is required to provide all clients and prospective clients with a written disclosure document. This document can be either Part 2 of Form ADV or a written document containing all material information included in Part 2. The major purpose of this disclosure document is to inform clients of our services, fees, business practices, and possible conflicts of interest and/or material affiliations.

General provisions of the rule:

- a. **Delivery:** The disclosure document shall be delivered to an advisory client or prospective advisory client (i) not less than 48 hours prior to entering into any written or oral investment advisory contract with such client or prospective client, or (ii) at the time of entering into any such contract, if the advisory client has a right to terminate the contract without penalty within five business days after entering into the contract. Copies of the disclosure document must be maintained in the client's file, or dated copies of all disclosure documents given to clients should be maintained in a cross reference file to establish which document was distributed to clients on a given date.
- b. **Offer to Deliver:** An investment advisor annually shall, without charge, deliver or offer in writing to deliver upon written request to each of its advisory clients, the statement required by this section. Any statement requested in writing by an advisory client pursuant to an offer required

by this paragraph must be mailed or delivered within seven days of the receipt of the request. Evidence of this annual offering must be maintained in the client's file or in a cross reference file indicating which clients the offer was sent to and the date on which it was sent. The offer can be done either by mail or in accordance with the guidelines regarding electronic delivery of information, with permission from client. [Note: any requests for the disclosure document and the delivery of the document pursuant to the requests need to be documented and the records maintained.]

- c. In addition, Rule 204-2 (a)(14) (Books and Records) of the Advisors Act of 1940 states that advisors must maintain: A copy of each written statement and each amendment or revision thereof, given or sent to any client or prospective client of such investment advisor in accordance with the provisions of Rule 204-3 under the Act, and a record of the dates that each written statement, and each amendment or revision thereof, was given, or offered to be given, to any client or prospective client who subsequently becomes a client.

3.1 City Center Advisors Policy: Disclosure Document

City Center Advisors, as a matter of policy, has elected to provide clients and prospective clients with a copy of Form ADV Part 2 and to annually offer each existing client a copy of City Center Advisors' current Form ADV Part 2.

3.2 Disclosure of Financial and Disciplinary Information

- a. City Center Advisors is required to make a disclosure amendment to reflect material events. These include an investment advisor who has custody or discretionary authority over client funds or securities, or who requires prepayment of fees of more than \$500 per client and six or more months in advance, to disclose a "precarious financial condition" to those pertinent clients (over whose securities they have custody or discretionary authority, or from whom they accept prepaid fees)—not, necessarily, to all clients. A "precarious financial condition" means a financial condition of the advisor that is "reasonably likely to impair the advisor's ability to meet contractual commitments to clients." This would generally include insolvency or bankruptcy.
- b. An investment advisor is to disclose material facts about any legal or disciplinary event "material to an evaluation of the advisor's integrity or ability to meet contractual commitments to clients involving the advisor or its management persons." Management person means a person with the power to exercise, directly or indirectly, a controlling influence over the management or policies of an advisor, or to determine the general investment advice given to clients.

The following four factors should be considered when determining if an event is "material:"

- a. the distance of the entity or individual from the advisory function;
- b. the nature of the infraction;
- c. the severity of the sanction;
- d. the time elapsed (10 years).

3.3 City Center Advisors Policy: Financial & Disciplinary Information

It is the policy of City Center Advisors to monitor the financial condition and any legal or disciplinary action(s) and to promptly and accurately report and disclose any such matters concerning City Center Advisors, its management persons, its advisory representatives and any affiliated entities.

3.4 City Center Advisors Policy: Disclosure

It is the policy of City Center Advisors to periodically review City Center Advisors' businesses and services provided to clients and to fully and accurately disclose the types of services, advisory fees, etc., in City Center Advisors' Form ADV Part 2, marketing brochures, and other materials, as appropriate.

3.5 City Center Advisors Procedures: Disclosure

The following procedures shall be applicable in connection with the disclosure documentation provided by City Center Advisors to its clients:

- a. The advisory representatives must deliver a copy of the dated Form ADV Part 2 to each client prior to or at the time an advisory account is opened. Delivery shall be documented by acknowledging

- such by the advisory representative in the advisory contract and maintaining a copy of the advisory contract in the client file. Client Records maintained by City Center Advisors will include a record of the date upon which the client received a copy of the disclosure documents. Disclosure files must also be maintained for prospective clients.
- b. Evidence of the annual offer of the disclosure document shall be maintained in a cross reference file that indicates the client and the date of the offer.
 - c. The Client Records shall be reviewed annually by the Compliance Department to confirm that the files contain appropriate documentation regarding delivery of the Form ADV Part 2 to all clients and prospective clients.
 - d. Advisory representatives and management personnel of City Center Advisors shall promptly report any reportable financial or disciplinary matters to the Chief Compliance Officer.

Client Relationship Summary (Form CRS)

Pursuant to Rule 204-5 of the Investment Advisors Act of 1940, City Center Advisors is required to provide all clients and prospective clients a relationship summary disclosing certain information about City Center Advisors. These sections include: Introduction, Relationships and Services, Fees, Costs, Conflicts, Standard of Conduct, Disciplinary History, and Additional Information.

General provisions of the rule:

- a. **Form CRS Initial Delivery:** Form CRS will be delivered to all clients before or at the time that City Center Advisors engages client into an investment advisory contract.
- b. **Form CRS ad hoc delivery:** City Center Advisors will periodically deliver Form CRS pursuant to several triggering events as outlined in the SEC Instructions concerning Form CRS. Those include:
 - i. City Center Advisors opens a new account that is different from the existing accounts.
 - ii. City Center Advisors recommends that the client rollover assets from a retirement account into a new or existing account.
 - iii. City Center Advisors recommends or provides a new advisory service that does not necessarily involve the opening of a new account and would not be held in an existing account (e.g. financial planning).
 - iv. If a material change was made, City Center Advisors will deliver the new Form CRS (with changes highlighted or summarized in an exhibit) within 60 days of filing.
 - v. Anytime a client requests a copy of your Form CRS, City Center Advisors will deliver within 30 days.
- c. **Amendments:** Should Form CRS become materially inaccurate, City Center Advisors will update the form and file it on FINRA's CRD/IARD within 30 days of the change.
- d. **Delivery Methods:** When Form CRS is delivered, it may be done so electronically (e.g. email) or physically (e.g. US Mail). Irrespective of method, Form CRS shall be first among all other documents being delivered concurrently with Form CRS to ensure prominence of the form. Additionally, Form CRS will be placed in a prominent location on any advisory websites of City Center Advisors.

Section 13 Reporting Requirements

Sections 13(d), (f), (g) and (h) of the Securities Exchange Act of 1934 are intended to provide regulators, investors, and the subject issuers with information about accumulations of securities that may have the potential to change or influence control of the issuer. Section 13 is concerned with voting authority and identifying large traders.

A "Section 13 Security" means any voting, equity security that is (1) of a class that is registered pursuant to Section 12 of the Exchange Act (which includes all exchange-traded and NASDAQ-listed securities); (2) issued by an insurance company, which security would have been required to be registered under Section 12 of the Exchange Act but for the exemption contained in Section 12(g)(2)(G) of the Exchange Act; or (3) issued by a closed-end investment company registered under the Investment Company Act of 1940, as amended.

- a. **Section 13(d) – Accumulations of Beneficial Ownership:**
Any beneficial owner of more than 5% of the outstanding shares of a voting equity security must report on Schedule 13D. The intent of Section 13(d) is to supply information concerning certain accumulations of beneficial ownership, presumably with either the intent or effect of causing a change in control of an issuer.
 - i. Schedule 13 D is filed within 10 days of the date when the position exceeds 5%. Material changes require prompt filings.
- b. **Section 13(f) – Investment Manager Discretion \$100 Million Exchange Traded Securities:** An institutional investment manager that exercises discretion with respect to 13(f) equity securities having an aggregate fair market value of at least \$100,000,000 on the last day of any month shall file a 13F Report.
 - i. File Form 13F within 45 days after the last day of a calendar year hitting the \$100 million mark, and subsequent quarters as instructed on Form 13F.
- c. **Section 13(g) – Accumulations of Beneficial Ownership for Institutional Investors:**
Certain types of institutional investors, (broker/dealers, investment advisors, banks, insurance companies, and mutual funds, among others) are permitted to file a short form filing to report a position over 5% of the outstanding shares of a company. The criteria require that the institutional investor has acquired its beneficial interest in the shares in the ordinary course of business and not for the purpose or effect of changing or influencing control. Section 13(g) seeks information about ownership status, not acquisition.
 - i. 13(g) filing is required on an annual basis. An ownership level above 10% triggers additional filing obligations.
- d. **Section 13(h) – Large Trader Identification:**
Large traders (a person whose discretionary transactions in NMS (exchange listed) securities equal or exceed 2 million shares or \$20 million during any calendar day, or 20 million shares or \$200 million during any calendar month) will file form 13H. The SEC will assign a Large Trader Identification number (“LTID”) to be used on the filings.
 - i. Form 13H is filed within 10 days of the triggering event. Form 13H is filed at least annually, and with quarterly updates should significant changes occur (e.g., selecting a new broker).

City Center Advisors will watch for Section 13 filings.

The amount of assets under management is updated annually on Form ADV Part 1. However, Section 13 filings are triggered during the year as noted above.

4. ADVISORY CONTRACT

City Center Advisors will maintain written agreements with its clients. The terms of the advisory agreement describing fees must be consistent with information in our Form ADV as currently on file

All unearned, pre-paid fees must be refunded upon termination of a contract. The terms of the advisory contract describing services and fees must be consistent with information in our Form ADV as currently on file.

Investment objectives and/or management style should be either included as part of the client's advisory contract, or contained in a separate suitability record, or a signed proposal. The contract (or an attached document) should evidence (by acknowledgment) that the client has received the disclosure document (typically Part 2 of Form ADV).

4.1 City Center Advisors Policy: Advisory Contracts

The policy of City Center Advisors is to require a written advisory agreement for each advisory client and that City Center Advisors' advisory agreements will meet all appropriate regulatory requirements.

4.2 *City Center Advisors Procedures: Advisory Contracts*

For purposes of effecting City Center Advisors' policy on advisory contracts, the following procedures shall be applicable:

- a. All advisory agreements between City Center Advisors and its clients shall be in writing on a form approved by the Compliance Department.
- b. The Chief Compliance Officer shall be responsible for reviewing, on a quarterly basis, the standard form of each advisory contract for purposes of confirming that the advisory contract is consistent with the information in City Center Advisors' Form ADV and satisfies the specific requirements of the Advisors Act.
- c. Advisory representatives shall not make any changes to the standard City Center Advisors advisory contract unless such changes are approved in writing by the Compliance Department before the advisory client signs the advisory contract; provided, however, that advisory representatives may negotiate the advisory fees set forth in the advisory contract within the parameters established by the Compliance Department.
- d. Advisory representatives shall, upon execution by the client, promptly forward the original advisory contract to the Compliance Department for review and approval. If approved, the Compliance Department shall then forward the advisory contract to the Operations Department for signature and filing in the client file.

5. SUPPORTING CLIENT DOCUMENTATION

City Center Advisors should require that each new client, in addition to receiving its disclosure information, supply important information needed to establish an investment advisory relationship. The policies and procedures of the advisor should be strictly followed. Advisory personnel should be familiar with the client documents required by City Center Advisors and be careful that all necessary information is obtained and where applicable, verified with supporting documents, such as trust agreements, discretionary agreements, and power of attorney forms. Of primary importance is information regarding financial needs and investment objectives. Unless adequate information is obtained regarding these areas, an advisor will be unable to ascertain the investment suitability for the client. It is recommended that a written statement of investment policy or guidelines be prepared or received for each advisory client relationship and any client restrictions noted in writing. (Restrictions include which securities or types of securities to (or not to) buy and sell, percentage allocations, etc.)

5.1 *City Center Advisors Policy and Procedure: Client Documentation*

City Center Advisors' policy is to obtain and maintain supporting client documentation for each client relationship and to keep the documentation accurate and current including client financial background and objectives.

Each advisory contract must be accompanied by a completed client questionnaire. A copy of the client questionnaire shall be maintained in each client file. Advisory representatives shall periodically contact the clients for purposes of determining whether any information provided by the client in the client questionnaire has materially changed.

6. ADVISORY FEES

The terms of the advisory contract describing fees must be consistent with information in City Center Advisors' Form ADV as currently on file.

Disclosures regarding excessive advisory fees and specific requirements regarding fees are discussed in the Disclosure Document section of this manual.

6.1 *Disclosure of Additional Compensation*

Another area of disclosure with respect to compensation is the receipt of compensation, direct or indirect, (such as commissions, 12b-1 fees, incentives, gifts or other compensation). Disclosure is required for such compensation received by the advisor, an advisory representative, control person or

affiliate, related to client purchases, and the payment of referral fees. An investment advisor, unless also registered as a broker, cannot effect transactions in securities for compensation.

6.2 Referral Fees

City Center Advisors does not pay for client referrals.

6.3 City Center Advisors Policy: Advisory Fees

General Fees

City Center Advisors' policy is to charge fair and competitive advisory fees and to disclose such fees fully and accurately to clients and prospective clients in City Center Advisors' Form ADV Part 2 and investment advisory agreement.

City Center Advisors Payment of Fees. City Center Advisors collects fees from clients for asset management services.

Performance Based Fees

City Center Advisors' policy is to not charge performance-based fees.

6.4 City Center Advisors Procedure: Advisory Fees

- a. The Compliance Officer shall be responsible for periodically reviewing, on a quarterly basis and more often as may be necessary, the advisory contract and Form ADV to ensure that the agreement and disclosure regarding advisory fees are accurate, consistent and correct.
- b. No advisory representative shall enter into any solicitation arrangement without the prior written consent of the Compliance Department.
- c. All applicable fees for advisory services are referenced in City Center Advisors' current Form ADV Part 2.

7. BOOKS AND RECORDS

City Center Advisors is required to keep and maintain certain books and records as appropriate for City Center Advisors' business, pursuant to Rule 204-2 of the Advisors Act and, as itemized below:

- a. A journal or journals, including cash receipts and disbursements records, and any other records of original entry forming the basis of entries in any ledger.
- b. General and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts.
- c. All checkbooks, bank statements, canceled checks and cash reconciliations of the investment advisor.
- d. All bills or statements (or copies thereof), paid or unpaid, relating to the business of the investment advisor as such. For example, copies of checks both front and back or similar evidence of payment of invoices must be maintained by the advisor.
- e. All trial balances, financial statements, and internal audit working papers relating to the business of such investment advisor.
- f. A memorandum of each order given by the investment advisor for the purchase or sale of a security, of any instruction received by the investment advisor from the client concerning the purchase, sale, receipt or delivery of a particular security, and of any modification or cancellation of any such order or instruction.

Such memoranda shall:

- i. show the terms and conditions of the order (buy or sell);
- ii. show any instruction, modification or cancellation;
- iii. identify the person connected with the investment advisor who recommended the transaction to the client;
- iv. identify the person who placed the order;

- v. show the account for which the transaction was entered;
 - vi. show the date of entry;
 - vii. identify the bank, broker or dealer by or through whom executed; and
 - viii. identify orders entered into pursuant to the exercise of the investment advisor's discretionary authority.
- g. Originals of all written communications received and copies of all written communications sent by such investment advisor relating to (A) any recommendation made or proposed to be made and any advice given or proposed to be given, (B) any receipt, disbursement or delivery of funds or securities, or (C) the placing or execution of any order to purchase or sell any security; provided, however, (i) that the investment advisor shall not be required to keep any unsolicited market letters and other similar communications of general public distribution not prepared by or for the investment advisor, and (ii) that if the investment advisor sends any notice, circular or other advertisement offering any report, analysis, publication or other investment advisory service to more than 10 persons, the investment advisor shall not be required to keep a record of the names and addresses of the persons to whom it was sent; except that if such notice, circular or advertisement is distributed to persons named on any list, the investment advisor shall retain with the copy of such notice, circular or advertisement a memorandum describing the list and the source thereof.
- h. A list or other record of all accounts in which the investment advisor is vested with any discretionary power with respect to the funds, securities or transactions of any client.
- i. All powers of attorney and other evidences of the granting of any discretionary authority by any client to the investment advisor, or copies thereof.
- j. Copies of all powers of attorney and other evidences of the granting of any discretionary authority by any client that City Center Advisors refers to the third party investment advisor.
- k. Copies of all written agreements entered into by any client referred to a third party investment advisor by City Center Advisors.

In addition, City Center Advisors will maintain copies of client suitability documentation reflecting basic background and financial information on the client and the appropriate investment management style provided by City Center Advisors.

- l. Supporting documentation of performance calculations or rates of return, in any written communication that City Center Advisors directly or indirectly distributes to any person and maintain originals of all written communications received or sent related to the performance or rate of return.
- m. All written agreements (or copies thereof) entered into by the investment advisor with any client, or otherwise, relating to the business of such investment advisor as such.
- n. A copy of each notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication that the investment advisor circulates or distributes, directly or indirectly, to one or more persons, (other than persons connected with such investment advisor), and if such notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication recommends the purchase or sale of a specific security and does not state the reasons for such recommendation, a memorandum of the investment advisor indicating the reasons therefore.
- o. Annual Personal Holdings Report: See Section 11.1 of this manual for detailed information.
- p. Quarterly Personal Securities Transaction Report: See Section 11.2 of this manual for detailed information.
- q. Disclosure Brochures/Form ADV Part 2: A copy of each written statement and each amendment or revision thereof, given or sent to any client or prospective client of such investment advisor in accordance with the provisions of Rule 204-3 under the Act, (the so-called "Brochure Rule") and a

- record of the dates that each written statement, and each amendment or revision thereof, was given, or offered to be given, to any client or prospective client who subsequently becomes a client.
- r. For investment advisors that provide “Investment Supervisory Services” or otherwise manage client portfolios: Every investment advisor who renders any investment supervisory or management service to any client shall, with respect to the portfolio being supervised or managed and to the extent that the information is reasonably available to or obtainable by the investment advisor, make and keep true, accurate and current:
 - i. Records showing separately for each such client the securities purchased and sold, and the date, amount and price of each such purchase and sale.
 - ii. For each security in which any such client has a current position, information from which the investment advisor can promptly furnish the name of each such client, and the current amount or interest of such client.
 - s. Limited Liability Company articles and any amendments, articles of organization, charters, minute books, and stock certificate books of City Center Advisors and of any predecessor shall be maintained in the principal office of City Center Advisors and preserved until at least three years after termination of the enterprise.
 - t. A record made and kept pursuant to any provision of this rule, which contains all the information required under any other provision, need not be maintained in duplicate in order to meet the requirements of the other provision of the rule.

As used in this rule, the term “discretionary power” shall not include discretion as to the price at which or the time when a transaction is or is to be effected, if, before the order is given by the investment advisor, the client has directed or approved the purchase or sale of a definite amount of the particular security.

7.1 Retention of Records

City Center Advisors is required to maintain books and records as follows:

All books and records must be kept for a period of not less than five (5) years from the end of the applicable fiscal year. They must be retained in an appropriate office of the advisor during the first two (2) years and be accessible for the remaining three (3) years. Pursuant to the Department of Labor’s Fiduciary Rule 3.0, any transaction/recommendation that falls under this provision, records will be maintained for 6 years.

Maintenance of Electronic Records

Rule 204-2(g) of the Advisors Act imposes requirements on advisors when records are stored in an electronic medium. In addition, the SEC issued no-action letters regarding the ability of an advisor to satisfy recordkeeping requirements (Rule 204-2) when receiving, delivering or maintaining electronic records. (See Thomson Financial Services, 10/8/93, and Depository Trust Co., 9/4/92. The use of electronic media and recordkeeping requirements was the subject of an SEC Interpretative Release (Release No. IA - 1562 dated 5/9/96).

SEC Rule 204-2(g) regarding storage of records by computer medium provides:

- a. The records required to be maintained and preserved pursuant to this rule may be immediately produced or reproduced by photograph on film or, as provided in paragraph (g)(2) below, on magnetic disk, tape or other computer storage medium, and be maintained and preserved for the required time in that form. If records are produced or reproduced by photographic film or computer storage medium, City Center Advisors shall:
 - i. arranges the records and indexes the films on computer storage medium so as to permit the immediate location of any particular record,
 - ii. be ready, at all times, to provide and promptly provide, any facsimile enlargement of film or computer printout or copy of the computer storage medium which the Commission, by its examiners or other representatives, may request,

- iii. store separately from the original, one other copy of the film or computer storage medium for the time required,
 - iv. with respect to records stored on computer storage medium, maintain procedures for maintenance and preservation of, and access to, records so as to reasonably safeguard records from loss, alteration, or destruction, and
 - v. with respect to records stored on photographic film, at all times have available for Commission examination of its records pursuant to section 204 of the Advisors Act, facilities for immediate, easily readable projection of the film and for producing easily readable facsimile enlargements.
- b. Pursuant to paragraph (g)(1) an advisor may maintain and preserve on computer tape or disk or other computer storage medium records which, in the ordinary course of City Center Advisors' business, are created by the advisor on electronic media or are received by the advisor solely on electronic media or by electronic data transmission.

7.2 City Center Advisors Policy and Procedures: Books and Records

City Center Advisors shall maintain, in an appropriate and well-organized manner, all books and records required under the Advisors Act and any applicable state regulations as appropriate for City Center Advisors' business as detailed in (Exhibit C). Books and records to be maintained by the firm shall include the following.

ADMINISTRATIVE RECORDS

State/Correspondence
Current Advisory Agreement
Past Advisory Agreements
List of Access Persons
Organizational Chart
Advertising File
U4/U5
Corporate Documents
Correspondence File
Complaint File

CLIENT/ACCOUNT RECORDS

New Account Form
Advisory Agreements
ACAT (if applicable)
Client Statements
Powers of Attorney
List of clients by state
Client Information Document(s)

COMPLIANCE RECORDS

Compliance Manual Receipt
Current Compliance Manual
Past Compliance Manual
Personal Holdings Reports
Privacy Notice
Code of Ethics
Business Continuity Plan
Quarterly Personal Transaction Report
Current Form ADV I/ADV2
Past Form ADV I/ADV2

FINANCIAL RECORDS

Fee Billing
Checks, Bank Statements, Recons
Cash Receipts/Disbursements
Balance Sheet
General Ledger/Trial Balance
Payables/Receivables

It is also City Center Advisors' policy to retain, on the premises, for two years, and (at least) an additional three years in a readily accessible place, all appropriate and required records under the Advisors Act and any state regulations.

Rollover Advice to Retirement Accounts

City Center Advisors will maintain documentation of the specific reasons why a rollover is in the best interest of a retirement plan investor (Retirement plan includes workplace retirement plans (e.g. 401(k)s, Pensions, etc.) and individual retirement accounts and annuities (IRAs)). This documentation will reflect, but is not limited to the following:

- a. Consideration of alternatives to the rollover, including leaving the account in the current plan, if permitted, and selecting different investment options.
- b. The fees and expenses associated with both the current plan and the recommended plan.

- c. If an employer sponsored plan, whether the employer pays for some or all of the plan's administrative expenses.
- d. The different levels of services and investments available under the current plan and the recommended plan.
- e. The long-term impact of any increased costs and the reason(s) why the added benefits justify those added costs, as well as the impact of features such as surrender schedules and index annuity cap and participation rates.

City Center Advisors will make diligent and prudent efforts to obtain pertinent information about the plan. If that effort is unsuccessful, a reasonable estimation of expenses, asset values, risk and returns based on publicly available information will be made. If assumptions are made, City Center Advisors will document the assumptions used and their limitations.

The CCO will conduct regular reviews of rollover recommendations.

City Center Advisors will also conduct, at least annually, a retrospective review of the methodology and results of the aforementioned rollover recommendations. This review shall be presented to the Chief Compliance Officer or other designated senior executive of City Center Advisors. This review shall be completed within six months of the close of the review period.

The report shall include:

- a. Testing a sample of transactions (across different types and sizes)
- b. Identify deficiencies in the policies and procedures
- c. How any deficiencies are rectified.

The CCO (or designee) shall, as outlined in the report:

- a. Certify receipt and their review of this report.
- b. Certify that City Center Advisors has in place policies and procedures (e.g. Rollover Comparison Worksheet) that are prudently designed to adhere to the provisions of the exemption including but not limited to the Impartial Conduct Standards.
- c. Certify that City Center Advisors has in place a process that is prudently designed to modify such policies and procedures as business, regulatory, or legislative conditions dictate.
- d. Certify that City Center Advisors has tested the effectiveness of the policies and procedures.

This report must be made available to the Department of Labor, upon request, within ten business days of such a request. City Center Advisors will also conduct, at least annually, a retrospective review of the methodology and results of the aforementioned rollover recommendations. This review shall be presented to the Chief Compliance Office or other designated senior executive of City Center Advisors. This review shall be completed within six months of the close of the review period.

The report shall include:

- d. Testing a sample of transactions (across different types and sizes)
- e. Identify deficiencies in the policies and procedures
- f. How any deficiencies are rectified.

The CCO (or designee) shall, as outlined in the report:

- e. Certify receipt and their review of this report.
- f. Certify that City Center Advisors has in place policies and procedures (e.g. Rollover Comparison Worksheet) that are prudently designed to adhere to the provisions of the exemption including but not limited to the Impartial Conduct Standards.
- g. Certify that City Center Advisors has in place a process that is prudently designed to modify such policies and procedures as business, regulatory, or legislative conditions dictate.
- h. Certify that City Center Advisors has tested the effectiveness of the policies and procedures.

This report must be made available to the Department of Labor, upon request, within ten business days of such a request.

Additionally, each branch will maintain a Litigation File, Copies of Confirmations, Compensation File, and a Copy of the RIA Manual. The Compliance Department shall be responsible for ensuring that books and records are promptly and accurately prepared and maintained in accordance with the Advisors Act and the rules and regulations summarized above.

7.3 *Records maintenance if City Center Advisors is discontinuing business*

Before ceasing to conduct or discontinuing business as an RIA, City Center Advisors shall arrange for and be responsible for the preservation of the books and records required to be maintained and preserved for the 5 year period specified in the Retention of Records section, and shall notify the Regulators, in writing, at its principal office of the exact address where such books and records will be maintained during such period. City Center Advisors' Record Keeping Checklist is attached (Exhibit C).

7.4 *Records destruction policy*

City Center Advisors will follow the procedures below in determining when and how to destroy personal information:

City Center Advisors will assess whether it is time to dispose of personal information, considering the following points:

- a. Reviewing the purpose for having collected the personal information.
- b. If personal information was used to make a decision about an individual, it should be retained for the legally required period of time – to allow the individual to access that information in order to understand, and possibly challenge, the basis for the decision.
- c. If retaining personal information any longer would result in a prejudice for the concerned individual, or increase the risk and exposure of potential data breaches, the organization will consider safely disposing of it.

Information is mainly stored on two kinds of media:

- a. Hard copy: physical representations of data, such as paper printouts and printer ribbons. This includes, among other things, notes, memos, messages, correspondence, transaction records and reports.
- b. Electronic copy: information stored on electronic media, such as computer hard drives, copier and printer hard drives, removable solid drives including memory, disks and USB flash drives, mobile phones, magnetic tapes and cloud storage that allows users to store files online and is accessible via the internet.

One or more of the following methods may be used for securely destroying personal information:

- a. By completely destroying the media, whether hard or electronic copy. In a way to ensure that the information stored on it can never be recovered. This can be accomplished using a variety of methods including disintegration, incineration, pulverizing, shredding and melting.
- b. By deleting information using methods that resist simple recovery methods, such as data recovery utilities and keystroke recovery attempts. One method for clearing media is overwriting, which can be done using software and hardware products that overwrite the media with non-sensitive data.
- c. By degaussing, in which magnetic media are exposed to a strong magnetic field to make data unrecoverable. This can be used to protect against more robust data recovery attempts, such as a laboratory attack using specialized tools (for example, signal processing equipment). Degaussing cannot be used to purge nonmagnetic media, such as CDs or DVDs.
- d. If City Center Advisors has to dispose of electronics, it should have a designated person responsible for arranging appropriate data destruction and instruct employees to direct all electronic material and devices to that person.

7.5 *Business Continuity Plan*

City Center Advisors is required to maintain a Business Continuity Plan to establish emergency preparedness plans and procedures in the event of a significant business disruption ("SBD") and

demonstrate how we will respond to events of varying scope. City Center Advisors will review its Business Continuity Plan and summary at least annually.

8. ANNUAL OR OTHER REPORTING REQUIREMENTS

8.1 *Amendments to Form ADV*

City Center Advisors shall review its Form ADV on an ongoing basis to ensure that the information set forth thereon is current. Specifically, City Center Advisors is required to make the following amendments:

- Promptly (within 30 days) for any changes to Items 1, 3, 9, or 11 of Part 1A or Items 1, 2.A through 2.F, or 2.1 of Part 1B
- Promptly (within 30 days) for material changes to Items 4, 8, or 10 of Part 1A, Item 2.G of Part 1B, or the information in City Center Advisors' brochure
- An Annual Updating Amendment (relative to various information pertaining to City Center Advisors' operations, including its assets under management and its continued eligibility to be registered) within 90 days subsequent to the Advisor's fiscal year-end.

In addition, corresponding amendments and disclosures must also be made on City Center Advisors' written disclosure statement as set forth on Part 2A (formerly Part II of Form ADV). It must also be filed electronically whenever material changes occur.

The CCO shall be responsible for reviewing the Form ADV on an ongoing, but not less than quarterly, basis to ensure that all information is current, correct and accurate. The CCO is responsible for all Form ADV filings.

8.2 *Amendments to U-4 and Schedule D*

Advisory representatives must inform our compliance department of all changes that require an amendment to Form U-4 or Schedule D. Typically, this will be a change of home address, a married name (versus a maiden name), and any disciplinary matter, among other things.

8.3 *Form ADV-W*

Form ADV-W is used to withdraw registration as an investment advisor with the states. It is filed in with state jurisdictions where City Center Advisors is registered.

8.4 *City Center Advisors Policy: Reporting Requirements*

City Center Advisors' policy is to monitor, on an ongoing basis, any matters that may require the amendment or additional filings with all applicable states. Any such amendments are to be filed promptly and accurately.

It is also City Center Advisors' policy to monitor, on a periodic basis, whether any securities-related filings or reports are required to be filed or amended including Form 13-D, 13-G, 13-F, or others.

8.5 *City Center Advisors Procedures: Reporting Requirements*

For purposes of complying with the annual and other reporting requirements, and for purposes of supplementing the requirements discussed above, City Center Advisors shall undertake the following procedures:

- a. The Chief Compliance Officer shall be responsible for reviewing the Form ADV on an ongoing, but not less than quarterly, basis to ensure that all information is current, correct and accurate. Material changes to the Form ADV shall be prepared and filed with all appropriate state agencies on a timely basis.
- b. The Chief Compliance Officer shall be responsible for filing the Form ADV - Schedule I within 90 days after the end of City Center Advisors' fiscal year-end.

- c. Advisory representatives and employees, officers and directors of City Center Advisors shall promptly inform the Compliance Department of any and all changes that may require an amendment to the advisory representatives Form U-4 or Schedule D to the Form ADV.
- d. The Chief Compliance Officer shall be responsible for monitoring whether any securities-related filings or reports are required to be filed or amended, including reports on Form 13-D, 13-G and 13-F.

9. FINANCIAL RECORDS

City Center Advisors shall maintain current and accurate financial records and monitor any applicable financial reporting requirements. City Center Advisors is required to maintain solvency at all times. The CCO shall be responsible for maintaining such records and monitoring the applicable reporting requirements.

See the Books and Records section of this manual for additional requirements for financial books and records.

9.1 *City Center Advisors Policy and Procedures: Financial Records*

City Center Advisors shall maintain current and accurate financial records and monitor any applicable state financial reporting requirements. The CCO shall be responsible for maintaining such records and monitoring the applicable reporting requirements.

10. GENERAL CORPORATE RECORDS

Corporate organization documents need to be maintained at City Center Advisors' principal office and kept current (such as corporate election of officers, directors, minutes, stock register or all appropriate partnership documents). This information relating to officers, directors, partners, etc., needs to be promptly and correctly reflected on Form ADV, Schedule A, Schedule B, or Schedule C, as appropriate.

10.1 *City Center Advisors Policy: Corporate Records*

As a corporation, appropriate organization documents are maintained at City Center Advisors' principal office and are kept current and accurate to reflect any and all changes in the corporation, and City Center Advisors' regulatory filings are promptly amended, as necessary.

11. PERSONAL SECURITIES RECORDS

11.1 *Initial and Annual Holdings Reports*

Under the books and records section of the Advisors Act (Rule 204A-1(b)(1)), City Center Advisors is required to maintain records, within 10 days prior to the individual becoming an "access person". Annual holdings reports must be filed on an annual basis. The information on holdings reports must be current within 45 days. An "access person" is an advisory person of an investment advisor who has "access" to non-public information regarding advisory client transactions in securities or non-public information regarding securities recommendations. The records must be for the personal holdings of City Center Advisors, its officers, employees, spouses, minor children, and members of the households of those aforementioned persons, who may have a direct or indirect beneficial interest. This report is located in (Exhibit A).

The rules require maintaining a record of every security held with the following information to be maintained in the record:

- a. Account number;
- b. Security name and ticker/CUSIP;
- c. Number of shares;
- d. Amount of the security held; and
- e. Name of the broker-dealer or bank of where the security is held.

The rules require the reporting of all securities holdings, including listed and unlisted securities, private transactions (which include private placements, non-public stock or warrants) and securities that are not custodial (held in certificate form) in these personal reports.

The following types of securities held by City Center Advisors or its employees and associated persons (covered persons) are not required to be reported to and maintained by the advisor in its records for personal transactions in:

- a. direct obligations of the United States Government;
- b. open-end investment company shares, whether affiliated or non-affiliated;
- c. interests in variable insurance products;
- d. affiliated money market mutual funds

11.2 Quarterly Personal Transactions Reports

Under the books and records section of the Advisors Act (Rule 204-1(b)(2)), City Center Advisors is required to maintain records, within 30 days of the calendar quarter's end, of the personal securities transactions of City Center Advisors, its officers, directors and employees, the spouses, minor children, and members of the households of those officers, directors and employees, as well as any securities transactions in which an officer, director or employee may have a direct or indirect beneficial interest¹. The report is located in (Exhibit B).

The rules require maintaining a record of every transaction in a security with the following information to be maintained in the record:

- a. Title and amount of the security involved;
- b. Date of the transaction;
- c. Nature of the transaction (purchase or sale);
- d. Price at which the trade was effected; and
- e. Name of the broker-dealer or bank that executed the transaction.

In addition, a system for review of personal securities transactions for all officers, directors, employees with access to investment information, and their immediate family's needs to be implemented and maintained to determine if employees are trading on the market impact made by recommended transactions.

The rules require the reporting of all securities transactions, including listed and unlisted securities, private transactions (which include private placements, non-public stock or warrants) and securities that are not custodial (held in certificate form) in these personal reports.

The following types of transactions by an advisor or its employees and associated persons (covered persons) are not required to be reported to and maintained by the advisor in its records for personal transactions in:

- a. direct obligations of the Government of the United States;
- b. open-end investment company shares, whether affiliated or non-affiliated;
- c. interests in variable insurance products;
- d. affiliated money market mutual funds;
- e. money market instruments, such as, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments

It is recommended that City Center Advisors' procedures include periodic (semi-annual or annual) listings of all members of the covered person's immediate household and of all accounts that are held by these individual(s).

In addition, all City Center Advisors personnel shall annually sign an acknowledgment and agreement to comply with City Center Advisors' policies and procedures, disclose any outside business/other activities, non-custodial securities holdings, and the personal securities accounts for any members of their immediate household and current "beneficial ownership" accounts.

¹ Such persons are deemed to have a beneficial interest of a security if they (a) have voting or dispositive power with respect to the security AND (b) have a direct or indirect pecuniary interest in the security.

11.3 *Personal Investing by Investment Advisory Personnel*

The personal trading and investment activities of employees of investment advisory firms are the subject of various federal securities laws, rules and regulations. Underlying these requirements is the fiduciary capacity in which an investment advisor acts for clients. A fiduciary has a duty of loyalty to clients, which requires that the advisor act for the best interests of the clients and always place the clients' interests first.

When investment advisory personnel invest for their own accounts, conflicts of interest may arise between the clients' and the employee's interests. The conflicts may include taking an investment opportunity from the client for an employee's own portfolio, using an employee's advisory position to take advantage of available investments, or front-running, which may be an employee trading before making client transactions, thereby taking advantage of information or using client portfolio assets to have an effect on the market which is used to the employee's benefit.

The securities laws and regulations that cover the personal trading and investment activities of advisory personnel include: a) the anti-fraud provisions (Section 206) of the Advisors Act which prohibit any scheme, practice, transaction or a course of business that operates as a fraud or deceit on a client; b) Form ADV and Rule 204-3 requirements which provide that an advisor disclose its practices and its interests in client transactions, among other things; c) recordkeeping requirements (Rule 204-2(a)(12) of the Advisors Act) for the personal trading of advisory representatives described in further detail below; and d) requirements under Section 17(j) of the Investment Company Act of 1940 for a code of ethics for advisors to investment companies.

11.4 *City Center Advisors Policy: Personal Securities Transactions & Records*

City Center Advisors' policy generally allows directors, officers and employees of City Center Advisors to maintain personal securities accounts, provided any such personal investing by the director, officer or employee or any immediate family or household member is consistent with City Center Advisors' fiduciary duty to our clients.

11.5 *City Center Advisors Procedures: Personal Securities Transactions & Records*

For purposes of complying with the rules on personal securities transactions, the following procedures shall be applicable:

- a. In the event that accounts are maintained away from City Center Advisors, then the employee, officer or director must instruct the broker-dealer or other entity to supply City Center Advisors with duplicate trade confirmations and statements.
- b. No later than 30 days after the end of each calendar quarter, each employee, officer and director of City Center Advisors shall prepare and deliver to the Compliance Department a report of all personal securities transactions in which the employee or any immediate family or household member engaged during the quarter. The report shall be made on a form designated for such by the Compliance Department and shall include the following information:
 - i. The identity and amount of the security involved;
 - ii. The date and nature of the transaction;
 - iii. The price at which the transaction was effected; and
 - iv. The name of the broker-dealer or bank where the transaction was effected.
- c. The Chief Compliance Officer shall maintain current and accurate records of all personal securities transactions of City Center Advisors and its employees, officers and directors. The Chief Compliance Officer shall periodically review the records of personal securities transactions and other trading records maintained by City Center Advisors for purposes of detecting and preventing abusive sales practices such as "scalping" or "front running" and to highlight potentially abusive brokerage arrangements.
- d. City Center Advisors has adopted the following Code of Ethics, which shall be applicable to all officers, directors, employees and advisor representatives at City Center Advisors:

12. CODE OF ETHICS

12.1 Summary

City Center Advisors' Code of Ethics is based on the guiding principle that the interests of the client are our top priority. City Center Advisors' officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When the potential for conflict arises, it is our obligation to put the client's interests over the interests of either employees or City Center Advisors.

12.2 Background

City Center Advisors views our Code as a living document that exists to ensure that the interests of our clients are continually protected. City Center Advisors reviews the Code annually and update it to keep current with changes in the industry.

12.3 Objectives

The purpose of our Code of Ethics is to ensure that when employees buy or sell securities for their personal account, they do not create actual or potential conflict with our clients. City Center Advisors does not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

12.4 General Provisions

The Code of Ethics applies to "access" persons. "Access" persons are employees with "access" to City Center Advisors Investment Policy Committee minutes and research. They would include advisors, their assistants, Compliance personnel, and senior management.

New "access" employees are briefed on the Code and are given a copy when hired or appointed as an advisor agent. Before being appointed or within one week of their hire, they must indicate in writing that they have read the Code and agree to its provisions. After that, we require them to review the Code annually and acknowledge, in writing, by March 31 that their personal investing has complied with the requirements.

The following provisions apply to all "access" persons:

Personal transactions: The Code requires all persons to report their personal securities transactions to City Center Advisors. This includes any activity in any account where the person has a monetary interest.

Reportable securities: The Code applies to the buying and selling of equities, bonds, closed end mutual funds, options, futures, and private placements. The State has exempted from reporting certain securities, including open-end mutual funds, certificates of deposit, and short-term government obligations.

Brokerage accounts: All persons must provide City Center Advisors with a current list of their brokerage accounts on an annual basis. City Center Advisors will then instruct the brokerage firm to send duplicate statements and confirms to City Center Advisors Compliance. Access persons must also provide a list of brokerage accounts controlled by the access person or by anyone who resides in the same household (same address) as the access person.

Reporting requirements: All persons must report their personal transactions to City Center Advisors. This is accomplished by the receipt of a Personal Trading Report due by the thirtieth day of the month following a calendar quarter.

General restrictions: The following restrictions also apply:

- a. You may not participate in initial public offerings, hedge funds, investment clubs, or similar groups.
- b. You may not give or accept gifts of a value greater than \$250.
- c. You must get approval of City Center Advisors to serve on a board of directors.
- d. You must get approval of City Center Advisors to participate in private placement transactions.

- e. You must disclose all new brokerage accounts and other securities holdings within ten (10) days of employment or prior to appointment as an investment advisor and quarterly thereafter.
- f. You may not borrow and/or lend monies and/or securities from or to clients respectively.

Pre-clearance of trades: At this time, City Center Advisors does not require pre-clearance of trades.

Compliance with Federal and State Security laws: All persons must comply with applicable Federal and State securities laws.

Code of Ethics violations: All persons must report any and all violations of these Code of Ethics promptly to the chief compliance officer or any other person designated in the Code of Ethics.

12.5 Monitoring and Enforcement

City Center Advisors takes seriously our responsibility to oversee and enforce City Center Advisors' Code of Ethics. The compliance staff is mandated to supervise City Center Advisors' compliance activities. The compliance department reports to the Chief Compliance Officer, who reports to the President of City Center Advisors. Additionally, City Center Advisors educates employees through initial orientation and annual review sessions.

Within the compliance department, the Chief Compliance Officer has primary responsibility for ensuring that employees are following all applicable provisions of the Code of Ethics. The Officer also sees that the appropriate procedures and systems are in place to monitor compliance.

When there is reason to believe an employee has violated the Code, the compliance department conducts an in-depth review. The compliance officer then recommends to the President the appropriate action to take.

Sanctions under the Code range in severity from a caution, to warnings, fines, or dismissal.

13. CODE OF ETHICS - INSIDER TRANSACTIONS

The Insider Trading and Securities Fraud Enforcement Act of 1988 requires an investment advisor to establish, maintain and enforce written policies and procedures designed to prevent the misuse of material non-public information by its directors, officers and employees.

13.1 City Center Advisors Policy: Insider Trading

City Center Advisors' policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of City Center Advisors may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security. The Agreement to Abide by Written Policy of City Center Advisors on Insider Trading must be read and signed by every officer, director, advisory representative and employee of City Center Advisors. Covered persons shall direct any questions regarding City Center Advisors' policy on insider trading to the Chief Compliance Officer.

13.2 City Center Advisors Procedures: Insider Trading

- a. **Prevention of Insider Trading.** For purposes of preventing insider trading, the Chief Compliance Officer shall:
 - i. answer questions and inquiries regarding City Center Advisors' policy;
 - ii. review City Center Advisors' policy on a regular basis and update it as necessary to reflect regulatory and industry changes;
 - iii. resolve issues as to whether information received by an officer, director, employee or advisory representative constitutes material and non-public information;
 - iv. upon determination that an officer, director, employee, or advisory representative has possession of material non-public information:
 - implement measures, including but not limited to Chinese Walls, to prevent dissemination of such information; and,

- restrict officers, directors, employees and advisory representatives from trading on any affected securities;
- v. hold meetings with all employees at least annually to review the policy.
- b. **Detection of Insider Trading.** For purposes of detecting insider trading, the Chief Compliance Officer, or his designee shall, on a quarterly basis:
 - i. review the trading activity reports filed by each officer, director, employee and advisory representative;
 - ii. submit his or her trading records and other relevant information to another senior manager for review;
 - iii. review the trading activity of accounts managed by City Center Advisors;
 - iv. if applicable, review trading activity involving City Center Advisors' own account; and
 - v. coordinate the review of such reports with other appropriate officers, directors, employees and advisory representatives of City Center Advisors.

14. CUSTOMER COMPLAINT RECORDS

All Complaints (verbal or written) are to be brought to the immediate attention of the Chief Compliance Officer. Written complaints are NEVER TO BE NEGOTIATED by an Investment Advisor. All complaints are to be recorded on the Customer Complaint Log (Exhibit J.)

A complaint shall be defined as any written statement by a client or any person acting on behalf of a client that alleges a grievance against us, or anyone associated with us, in connection with the solicitation or execution of any securities transaction or the disposition of securities or the funds of that client.

Upon receipt of a complaint, the supervising Principal shall:

- a. Acknowledge receipt of the complaint, in writing, to the client or client's counsel.
- b. Require written memoranda of response from the Investment Advisor involved (as well as any other individual(s) who may have knowledge of the facts).
- c. Notify legal (if necessary) and compliance personnel and promptly transmit all letters, memos and other data to the Principal designated to oversee the handling of all complaints.
- d. Promptly respond to the customer when the analysis is complete and maintain a copy of the response in the file.

15. ADVERTISING AND MARKETING (INCLUDING BUSINESS CARDS AND LETTERHEAD)

Sec. 36b-31-5a (b) describes and details the various advertising practices that the State views as being fraudulent, deceptive and/or manipulative within the meaning of the Advisors Act. Pursuant to this rule, the following may not be contained in any advertisements by City Center Advisors:

- a. Testimonials concerning any advice or service of the advisor or its IAR's, ; unless City Center Advisors follows the amended rule 206(4)-1, (the "marketing rule"). Testimonials are typically in the form of endorsements as to City Center Advisors's services or performance. If City Center Advisors allows the use of testimonials, the following rules will be followed:
 - i. City Center Advisors discloses, or reasonably believes that the person giving the testimonial or endorsement discloses the following at the time the testimonial or endorsement is disseminated:
 - Clearly and prominently disclose:
 - That the testimonial was given by a current client and/or the endorsement was given by a person other than a current client;

- That cash or non-cash compensation was provided for the testimonial or endorsement, if applicable; and the material terms of any compensation arrangement including a description of the compensation provided or to be provided, directly or indirectly, to the person for the testimonial or endorsement; and
- A brief statement of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the adviser's relationship with such person.
- Execute a written agreement with any person/entity giving a testimonial or endorsement that describes the scope of the agreed upon activities and the terms of the compensation for those activities when City Center Advisors is providing compensation for testimonials and/or endorsements that is above the de minimis threshold of under \$1,000 during the preceding 12 months.

Representative client lists could be testimonials and may not be used unless certain conditions are met as follows:

- i. City Center Advisors will not use performance-based criteria to determine which clients to include in the list;
- ii. The client list will include the disclaimer: "It is not known whether the listed clients approve or disapprove of City Center Advisors or their services;" and
- iii. Each client list will include a statement disclosing the objective criteria used to determine which clients to include in the list.

Third-party ratings in an advertisement could also be testimonials and may not be used unless certain conditions are met as follows:

- i. City Center Advisors to have a reasonable basis to believe any questionnaire or survey used in the preparation of the third-party rating is structured to make it equally easy for a participant to provide favorable and unfavorable responses, and is not designed or prepared to produce any predetermined result.
- ii. City Center Advisors clearly and prominently disclose, or reasonably believes the third-party rating clearly and prominently disclosed:
 - The date on which the rating was given and the period of time upon which the rating was based;
 - The identity of the third-party that created and tabulated the rating; and
 - If applicable, that compensation has been provided directly or indirectly by the adviser in connection with obtaining or using the third-party rating (the "disclosure requirement").
- b. References to past or specific recommendations of the advisor that were or would have been profitable to a person (accepting advertisements listing or offering to list all recommendations for at least one year together with certain required information and containing a required cautionary clause).
- a. Representations that any graphs, charts, or formula or device can be used to determine which securities to buy or sell or when to buy or sell them unless accompanied by explicit disclosure regarding the limitations and serious difficulties and risks inherent with their use;
- b. Any representation that a service will be provided free of charge unless there is in fact no condition or obligation; or
- c. Any untrue statement of a material fact or which may be false and/or misleading.
 - i. This includes promissory language, unsubstantiated claims, use of ratings without disclosing the rating criteria, performance advertising, profiles that include any "puffery" of job titles, responsibilities or credentials. All profile descriptions must be modest and factual.
 - ii. In regard to IAR ratings, honors or awards in any advertisements City Center Advisors will ensure that if there is a fee paid to receive a rating honor or award and the

category for which the rating, honor, or award and the category for which the rating, honor, or award was calculated, the number of advisers surveyed in that category, and the percentage of advisers or IARs that received the rating honor or award will be disclosed.

- iii. Additionally, if ratings, honors or awards are used for any supervised persons, explanations and criteria of the minimum qualifications required for each award and honor will be disclosed with the advertisement.

While the term “misleading” is not specific in its intent, the State generally would base its determination on all the particular facts relative to the advertisement and would look carefully at the form and content of the advertisement, the implications or inferences that could reasonably be made from the advertisement in its total context and the overall sophistication of the audience who was receiving the advertisement’s message.

Advertisements that compare performance to an index should include performance based on a relevant and meaningful index, and where performance is superior, the advertisement should note any special factors leading to this performance. Any information regarding rates of return must reflect performance gross or net of brokerage commissions, advisory fees and expenses as summarized in the following Performance Data Section.

All advertising and marketing materials must be consistent with the fees and services as described in City Center Advisors’ current Form ADV.

Some states may require pre-or post-filing of advertisements. City Center Advisors should review individual state requirements.

Past Specific Recommendations: Advisors may list or identify securities that were recommended in the past and that have become profitable only if the specific conditions of the rule are met. (The rule does not apply to current recommendations.) These conditions include offering or including a list of all securities recommended for the past year which must include specific information and disclosure that “It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list”.

City Center Advisors may also distribute reports to clients and prospective clients that identify and discuss certain, but not all, securities bought, sold or managed by the advisor provided certain conditions are met. These conditions include using consistent and objective non-performance based criteria in selecting the securities, not disclosing profits or losses, and maintaining records among others. (See SEC No-action letter, Franklin Management, Inc. publicly available 12/10/98.)

Article Reprints: Reprints of newspaper or periodical articles about an advisor, or its personnel, are subject to the advertising rules and must not be misleading. (See SEC No-action letter, Kurtz Capital Management, available 12/18/87)

Client Survey Results: City Center Advisors’ use of client surveys in advertising or marketing materials that are conducted by an unbiased third party service provider will be viewed as a testimonial by the SEC. However, the SEC has indicated that such surveys could be used in an advertisement so long as the survey results represent a valid sample, involve no subjective analysis, do not favor positive or negative results and are otherwise consistent with regulatory requirements, among other things. (See the SEC No-action letter Dalbar, Inc. publicly available 3/24/98)

Website and Social Media: Information provided in City Center Advisors’ website and social media is subject to the advertising rules, and also any applicable regulations. Website and social media information must therefore be considered advertising and subject to the same policies and procedures for the review, approval and retention of advertising and marketing materials. Regulators search and review the Internet for advertising and performance information provided by advisors.

Advertising or providing advisory services on the Internet may also result in a firm having to register/notice file the firm/investment advisor representatives in the states unless certain safeguards, checkpoints or disclosures are provided. State regulations should be checked for specific requirements.

City Center Advisors recognizes there are two uses for social media: business and personal. Social media platforms provide a way to communicate and share information quickly and easily with Clients, friends and family. Facebook, Twitter, YouTube, WordPress, LinkedIn and Blogger social media outlets are just a few of the many available outlets.

The Social Media Policy is intended to provide guidance to employees on the use of social media.

Principles of Social Media Use

All social media exchanges shall follow these four basic principles:

- Treat all social networking as advertising;
- Monitor social media use frequently;
- Maintain comprehensive records of use (see Recordkeeping Responsibilities); and
- Avoid improper use of testimonials (don't click on "Like" or "Thumbs-Up" buttons)

Business Use of Social Media

City Center Advisors allows social media to be used for business purposes under the conditions described within this policy. Social media can be deemed to be sales literature, advertising or communications with the public and City Center Advisors and employees must comply with the applicable rules and internal policies as described in this Compliance Manual.

Social media sites, such as Facebook, Twitter, and LinkedIn can contain both static content and interactive functions. Publicly available websites are considered advertising and the static content, such as profile, background or wall information, must be approved by the Chief Compliance Officer of City Center Advisors prior to posting. The interactive posts are viewed as communications, sales literature or public appearances. While these posts are not required to be approved prior to posting, City Center Advisors is responsible for supervising such communication.

The following types of posting are not allowed:

- Any recommendations;
- Data feeds;
- Links to third party sites;
- Any negative posting about City Center Advisors, its competitors, employees, or etc.;
- Any confidential information about Clients or City Center Advisors;
- Any infringement of copyrighted materials;
- Any fraudulent, deceptive, or false statements; and

City Center Advisors may meet the recordkeeping requirements through one of the following means or a combination of such:

- Hard copies – print and retain content
- Electronic copies – download to City Center Advisors' computer files
- Third Party Service – contract with outside party for retention

Third-Party Posts

Online posts by customers or other third parties are generally not treated as City Center Advisors' communication with the public. However, these may be deemed to be testimonials, City Center Advisors must monitor the third party postings. If a posting is deemed a testimonial, City Center Advisors will either immediately delete it, or amend to comply with the Marketing Rule, when City Center Advisors becomes aware of the post.

Personal Use of Social Media

City Center Advisors recognizes the rights of its employees to use social media as a form of self-expression and communication. City Center Advisors does not restrict employees from using social media for personal use, but certain conditions must be agreed to:

1. If employees identify themselves as an employee of City Center Advisors, they must clearly state they are not representing City Center Advisors on these sites;
2. No use of City Center Advisors' logo;
3. Refrain from posting items that could reflect negatively on City Center Advisors' reputation;
4. Should not be accessing and posting while on City Center Advisors' time;
5. Cannot solicit any City Center Advisors business through the sites;
6. Protect the privacy of City Center Advisors' Clients, do not post confidential information; and
7. Agree to comply with City Center Advisors' policy.

Employees should use sound judgment and common sense when using social media and take responsibility for what is posted. If an employee becomes aware of any violation of City Center Advisors' policy, he/she should report it immediately to the Chief Compliance Officer.

Supervision

Due to the spontaneous nature of social media, City Center Advisors requires all employees to disclose to City Center Advisors any social media sites which they plan or are using for business purposes in writing. City Center Advisors will review the static content and provide a written approval, denial or required changes. City Center Advisors will review/train all employees on the Social Media Policy. The Chief Compliance Officer will be responsible for reviewing at least on a quarterly basis the approved social media sites. City Center Advisors will maintain a Social Media Log to track social media sites used by employees for business purposes as well its review of these sites.

15.1 Use of the Terms "RIA" or "Investment Counsel"

The State prohibits an advisor from representing or implying that it has been approved or endorsed by the State. An advisor may indicate that it is registered as an advisor and where applicable, as a broker. The business entity is known as the Registered Investment Advisor, and the individual registered with City Center Advisors is known as the Investment Advisor Representative. No individual or firm shall use the term "RIA" to refer to itself as the use of these initials implies an educational or professional designation and is, therefore, misleading.

An investment advisor may not refer to itself as an "investment counsel" or use the term to describe its business unless the "principal" business of the advisor is rendering investment advice and a substantial part of the advisor's business consists of rendering "investment supervisory services" as defined on Form ADV.

The determination of misleading or false statements is generally judged against a standard of fair and accurate disclosure in keeping with the fiduciary nature of the advisor-client relationship.

15.2 Use of the Professional Designations

City Center Advisors prohibits the use of a senior specific certification or designation by any agent in such a way as to mislead any individual. The prohibited use of such certifications or professional designation includes, but is not limited to, the following:

- a. Use of a certification or professional designation by a person who has not actually earned or is otherwise ineligible to use such certification or designation;
- b. Use of a nonexistent or self-conferred certification or professional designation;
- c. Use of a certification or professional designation that indicates or implies a level of occupational qualifications obtained through education, training, or experience that the person using the certification or professional designation does not have; and
- d. Use of a certification or professional designation that was obtained from a designating or certifying organization that: 1. Is primarily engaged in the business of instruction in sales and/or marketing; 2. Does not have standards or procedures for assuring the competency of its designees or certificants; 3. Does not have standards or procedures for monitoring and disciplining its designees or certificants for improper or unethical conduct; or 4. Does not have continuing education requirements for its designees or certificants in order to maintain the designation or certificate.

Prior to the use of any professional designation, an agent must receive approval from the Compliance Department prior to using such designation. In its review of such designations, the Designated Person will consider whether a combination of words (or an acronym standing for a combination of words) constitutes a certification or professional designation indicating or implying that a person has special certification or training in advising or servicing senior citizens or retirees. Among the factors the Designated Person will consider are:

- a. Use of one or more words such as “senior,” “retirement,” “elder,” or like words, combined with one or more words such as “certified,” “registered,” “chartered,” “adviser,” “specialist,” “consultant,” “planner,” or like words, in the name of the certification or professional designation;
- b. The manner in which those words are combined;
- c. Any examination and continuing education requirements; and
- d. Any prohibitions on the use of certain professional designations.

15.3 City Center Advisors Policy: Advertising and Marketing

City Center Advisors may, from time to time, utilize advertising for the investment advisory services offered by City Center Advisors. As a matter of City Center Advisors’ policy, advertisements must be truthful and accurate and any advertising that is misleading, fraudulent, deceptive and/or manipulative is prohibited.

15.4 City Center Advisors Procedures: Advertising and Marketing

For purposes of ensuring compliance with the above advertising and marketing requirements, the following procedures shall be applicable:

- a. Any advertising materials, including stationery and business cards, must be approved by the Compliance Department prior to their use. The advertising should be submitted for review along with the Advertising Approval Form (Exhibit E). All advertising materials must conform to the standards set forth above.
- b. The Chief Compliance Officer, or his/her designee, shall be responsible for reviewing and approving all advertising materials. The initialing and dating of advertising copy shall indicate approval. In addition, the Compliance Department shall maintain a sequential log of all advertisements reviewed. The Chief Compliance Officer shall be responsible for maintaining all advertising records at a readily accessible location and in accordance with applicable laws, rules and regulations.

15.5 City Center Advisors Policy: Performance Data

City Center Advisors does not provide performance reporting other than providing individuals performance reports on their specific accounts.

16. TRADING

Trading practices must be fair to customers, with a fair and reasonable allocation system. Trading encompasses fiduciary obligations, best execution, soft dollar and other issues. City Center Advisors provides discretionary asset management services.

Discretionary Trading

A discretionary account is an account established with pre-approved authority for an investment advisor representative to execute transactions without having to ask for specific approval. Discretion is the authority to decide:

- a. What security
- b. The number of shares or units
- c. Whether to buy or sell

City Center Advisors will obtain prior, written authority from the client in the advisory agreement granting discretionary authority.

Discretionary accounts will also be subject to the following:

- a. If a trade is executed on a discretionary basis, the representative placing the trade will identify the trade as a discretionary trade at the time the trade is entered for execution.
- b. A record must be kept of all transactions.
- c. No excessive trading may occur in the account, relative to the size of the account and the client's investment objectives.

16.1 *Idle Cash*

The State Staff believes that an advisor has a duty to seek to earn the best possible return for a client consistent with the client's investment objectives. This duty applies to both advisors who have custody of client assets and those who do not. Included in this duty is an obligation to invest any idle cash in the client's account. Cash balances that remain idle and uninvested for significant periods, particularly without the client's knowledge and consent, will probably serve as a "red flag" for examiners as an indication of a possible breach of fiduciary duty.

In investing idle cash balances, the advisor is expected to use the same degree of prudence he would employ with client assets generally. In certain circumstances, the State has permitted advisors to invest idle cash in affiliated money market funds; however, for accounts subject to ERISA, investments in affiliated funds may constitute prohibited transactions unless certain procedures are followed.

16.2 *Trading Errors*

As fiduciaries, investment advisors are required to put their clients' interests ahead of their own. This duty is especially evident when it comes to correcting errors made in placing trades for client accounts. As part of a standard examination of an investment advisor, a SEC or state examiner will typically review trading errors to determine if the client was in any way disadvantaged in the error-correction process. All trade errors will be recorded on the Trade Error Form (Exhibit H) and submitted to the CCO for approval.

Advisors should be aware of the following restrictions on trading errors:

- a. When an advisor corrects an error, the client must not be disadvantaged: the client must be "made whole."
- b. Soft dollars may not be used to pay for correcting an advisor's trading errors. In an SEC letter to Charles Lerner, Director of Enforcement, Department of Labor, dated October 25, 1988, the SEC stated:

"The Division believes that an investment manager has an obligation to place orders correctly for its advised and non-advised accounts. Accordingly, if an investment manager makes an error while placing a trade for an account, then the investment manager, in order to comply with its obligation to the customer, must bear any costs of correcting such trade. Because an investment manager itself is responsible for any losses resulting from an inaccurate or erroneous order placed for an advised account, a broker provides no value to that advised account by offsetting the trade and carrying the loss. Instead, this conduct solely benefits the investment manager."
- c. The advisor should review the error-correction procedure to determine if, in correcting the error, an agency-cross transaction would take place. Should the advisor believe that such a transaction is warranted, the advisor should be sure that all proper disclosures are made and consents obtained, as required in Section 206(3)-2 of the Advisors Act.
- d. Advisors must review their own supervisory procedures to make sure that procedures for correcting trading errors are in place. In addition, reviews of trading practices should periodically be made to determine that City Center Advisors' procedures are being followed. To this end, advisors should maintain a file documenting the correction of trading errors. The creation of such

a file allows the advisor to periodically review all trading errors for a particular time period to make sure that they were handled quickly and correctly.

a. **General Prohibitions on Trading.** City Center Advisors and all persons associated with City Center Advisors are prohibited from:

- i. Employing any device, scheme or artifice to defraud any client or prospective client;
- ii. Engaging in any transaction, practice or course of business that operates as fraud or deceit upon any client or prospective client;
- iii. Engaging in any act, practice or course of business that is fraudulent, deceptive or manipulative;
- iv. Directly or indirectly acquiring any beneficial interest in securities of an initial public offering or private placement in which City Center Advisors is allocated shares, without the prior written consent from the CCO;
- v. Acting as a principal for its own account; or
- vi. Knowingly selling or buying any security from an advisory client.

b. **Compliance with SEC Rule 3a-4 .**

There may be certain circumstances when the management by an investment advisor of client assets in model portfolios could cause the investment advisor to fall under the definition of "Investment Company" under the Investment Company Act of 1940. In order to avoid this classification and for purposes of satisfying the safe harbor from the definition of "investment company" set forth in Rule 3a-4 of the Investment Company Act of 1940, City Center Advisors and its employees shall comply with the following requirements:

- i. Each client account shall be managed on the basis of that client's individual financial situation, investment objectives and instructions;
- ii. The advisory representatives shall obtain information from each client that is necessary to manage the client's account individually;
- iii. The advisory representatives shall be available to consult with clients about their personal circumstances and portfolios;
- iv. Each client shall have the ability to impose reasonable restrictions on the management of their account;
- v. Each client shall be provided with a quarterly statement containing a description of all activity in the client's account;
- vi. Each client shall retain the indicia of ownership of all securities and funds in the account;
- vii. In the event that a third party is designated to perform certain obligations set forth in these procedures, then City Center Advisors shall obtain, from that third party, a written agreement to perform those services;
- viii. City Center Advisors shall preserve and maintain the policies, procedures, agreements and other documents relating to its investment advisory operations; and
- ix. City Center Advisors shall furnish to the appropriate securities division, upon demand, copies of all specified documents.

Suitability of a trade error also factors into the resolution of the error. Unsuitable trades will always be resolved in the client's favor and the client's being made whole, and suitable trade errors will be resolved on case-by-case basis.

Errors may also include compensating a client for any loss on an error and as well as lost investment opportunity in some circumstances.

16.3 Trading Allocation Procedures

An investment advisor may not allocate trades in such a way that the advisors own (or affiliated) account(s) receive more favorable treatment than the advisor's clients' accounts.

The SEC found that an investment advisor failed to adequately supervise its portfolio manager whose trade allocation practices were favoring the advisor's private employee profit-sharing plans over mutual funds under the advisor's management. The SEC found this to cause a conflict of interest between the portfolio manager's responsibility to the mutual funds and to the profit-sharing plan.

Similarly, an advisor may not favor certain performance-based or other client accounts with “new issues” or allocate profitable trades at each day’s end so as to disproportionately favor certain clients without appropriate disclosure. (McKenzie Walker Investment Management, IA Release No. 1571, July 16, 1996).

An advisor’s or its personnel’s proprietary accounts cannot be traded in a favorable manner over client accounts.

Allocation procedures should be fair and equitable to all client types with no group being favored or disfavored over any other group.

16.4 Aggregation of Orders

Until recently, there have been conflicts and restrictions for aggregating orders of various client types, such as individuals, ERISA plans, investment companies, with the orders on behalf of accounts advised by the investment advisor in which the advisor, its employees and principals have economic interests (“proprietary accounts”). In the SMC Capital, Inc. no-action letter (pub. avail. Sept. 5, 1995), the SEC indicated that aggregation of client orders would not violate the anti-fraud provisions of Section 206 of the Advisors Act if the practice of allocating orders is fully disclosed in the advisor’s Form ADV and separately disclosed to existing clients and no advisory account is favored over any other account. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.

The SEC granted no-action relief based on several conditions as outlined below:

- a. City Center Advisors’ policies for the aggregation of transactions shall be fully disclosed in City Center Advisors’ Form ADV and separately to City Center Advisors’ existing clients and the broker-dealer through which such orders are placed;
- b. City Center Advisors will not aggregate transactions unless aggregation is consistent with its duty to seek best execution and the terms of City Center Advisors’ investment advisory agreement with each client for which trades are being aggregated;
- c. no advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all advisor’s transactions in that security on a given business day, with transaction costs shared pro-rata based on each client’s participation in the transaction;
- d. City Center Advisors will prepare, before entering an aggregated order, a written statement (“Allocation Statement”) specifying the participating client accounts and how it intends to allocate the order among those clients;
- e. if the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement;
- f. notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved in writing by advisor’s compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;
- g. City Center Advisors’ books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;
- h. funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the client’s cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;

- i. City Center Advisors will receive no additional compensation of any kind as a result of the proposed aggregation; and
- j. individual investment advice and treatment will be accorded to each advisory client.

City Center Advisors will have in place procedures and mechanisms that are reasonably designed to implement the aggregation policies. Periodic reviews should be conducted to ensure no accounts are being systematically disadvantaged.

While the SMC letter allows for the aggregation of transactions for proprietary accounts with those of customers (subject to certain conditions and procedures), each investment advisor needs to review its business practices, current policies and determine if this “combined” aggregation will be adopted or if it is even appropriate. Advisors may choose to not aggregate proprietary accounts with those of clients, in which case, disclosure of that fact should be made in the advisors Form ADV Part 2 along with the potential consequences of not aggregating proprietary and client accounts in an order.

16.5 City Center Advisors Policy: Trading

As an advisor and a fiduciary to City Center Advisors’ clients, our client’s interests are placed first and foremost and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any conflicts of interests or resolve such conflicts in the client’s favor.

16.6 City Center Advisors Procedures: Trading

For purposes of complying with the rules, regulations and policies regarding trading set forth above, the following procedures shall be applicable:

c. Trading Errors.

- i. For purposes of these procedures, the term “trade error” shall mean any unintentional mistake directly related to a client account that is the responsibility of City Center Advisors and/or its employees. Examples of trade errors include trading in the wrong account, buying or selling the wrong security, entering the wrong price or the wrong number of shares on a trade ticket, or misallocating a grouped order.
- ii. Upon becoming aware of a trade error, the advisory representative shall immediately notify the Compliance Department. The Compliance Department shall be responsible for correcting all trade errors on behalf of City Center Advisors and shall maintain a log of all trade errors. The Compliance Department shall review on a quarterly basis the log of trade errors to determine whether any patterns of trade errors exist.
- iii. City Center Advisors shall resolve any trade errors in client accounts so that the client is made “whole”. Accordingly, City Center Advisors shall be responsible for all costs and expenses incurred in reversing the trade and for all measurable damages incurred by the client in connection with the trade error.
- iv. In the event the trade error results in a gain the funds will be donated to charity.
- v. Unless good cause exists, the Compliance Department shall correct all trade errors in accordance with these procedures within two business days following the discovery of such trade errors. When appropriate, the Compliance Department or its designees shall be responsible for notifying the client about the trade error.
- vi. Client assets shall not be utilized for purposes of correcting trade errors. Soft dollar arrangements, brokerage commissions or arrangements or the assets of a different client shall not be used to correct trade errors.
- vii. Advisory representatives may, on a case-by-case basis and as determined by City Center Advisors, be financially responsible for trade errors committed by them or their sales associates.

d. General Prohibitions on Trading. City Center Advisors and all persons associated with City Center Advisors are prohibited from:

- i. employing any device, scheme or artifice to defraud any client or prospective client;
- ii. engaging in any transaction, practice or course of business that operates as a fraud or deceit upon any client or prospective client;

- iii. engaging in any act, practice or course of business that is fraudulent, deceptive or manipulative;
 - iv. directly or indirectly acquiring any beneficial interest in securities of an initial public offering or private placement in which City Center Advisors is allocated shares, without the prior written consent from the Chief Compliance Officer;
 - v. acting as a principal for its own account; or
 - vi. knowingly selling or buying any security from an advisory client.
- e. **Trade Allocation.**
City Center Advisors shall use the formula set forth below for purposes of allocating securities, including initial public offerings and private placements, and/or recommendations among clients. The formula shall provide a fair and equitable basis for allocations and shall be consistently applied to all clients. Prior to the allocation of securities by City Center Advisors, City Center Advisors shall determine if a client's investment objectives and suitability requirements qualify the client for participation in purchasing a specific security. If the client qualifies for participation, City Center Advisors will allocate a portion of the total allocation to the client based on the following formula:
- $$\text{Securities Allocable to Client} = \text{Total Allocation to City Center Advisors} \times \frac{\text{Assets of Client under Management}}{\text{Total Assets of all Participating Clients under Management}}$$
- f. **Compliance with SEC Rule 3a-4 (applies to state advisors).**
There may be certain circumstances when the management by an investment advisor of client assets in model portfolios could cause the investment advisor to fall under the definition of "Investment Company" under the Investment Company Act of 1940. In order to avoid this classification and for purposes of satisfying the safe harbor from the definition of "investment company" set forth in Rule 3a-4 of the Investment Company Act of 1940, City Center Advisors and its employees shall comply with the following requirements:
- i. Each client account shall be managed on the basis of that client's individual financial situation, investment objectives and instructions;
 - ii. The advisory representatives shall obtain information from each client that is necessary to manage the client's account individually;
 - iii. The advisory representatives shall be available to consult with clients about their personal circumstances and portfolios;
 - iv. Each client shall have the ability to impose reasonable restrictions on the management of their account;
 - v. Each client shall be provided with a quarterly statement containing a description of all activity in the client's account;
 - vi. Each client shall retain the indicia of ownership of all securities and funds in the account;
 - vii. In the event that a third party is designated to perform certain of the obligations set forth in these procedures, then City Center Advisors shall obtain from that third party a written agreement to perform those services;
 - viii. City Center Advisors shall preserve and maintain the policies, procedures, agreements and other documents relating to its investment advisory operations; and
 - ix. City Center Advisors shall furnish to the state securities division, upon demand, copies of all specified documents.

17. BEST EXECUTION

As part of its obligation of best execution, an advisor must avoid "interpositioning", or placing a client transaction through a broker-dealer (for a commission) which then, in turn, places the order with a market maker (for which a mark-up/down is charged), when the order could be placed directly with the market maker for no disclosed brokerage commission and with no loss of service.

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. In essence, an advisor is required to “execute securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” When evaluating brokers, the advisor is obligated to weigh such factors as the value of research provided, the commission rates charged, the ability to negotiate commissions, the ability to obtain volume discounts, execution capability, financial responsibility and responsiveness to the investment advisor. Furthermore, an advisor should periodically and systematically evaluate the performance of broker-dealers executing its client’s transactions.

Typically, to achieve best execution, an advisor may “bunch” or block client orders. [Note: Advisors may only include personal or proprietary trades with those of advisory clients if certain disclosures are made and procedures are followed according to the SMC No-action letter summarized in the prior Trading Section]. If bunch trading is not available, the advisor is required to disclose to clients that it will not bunch transactions and the fact that clients may pay higher commissions as a result.

When utilizing mutual funds, the firm will make every effort to choose the lowest share class available on the platform. Typically this will consist of institutional share class funds. Periodically accounts will be checked at random to ensure the lowest share class is being purchased.

City Center Advisors is responsible for reviewing its best execution responsibilities when directing brokerage to any broker-dealer (including affiliates) and in determining commission discounts and disclosing any conflict of interest inherent in this direction.

18. DIRECTED BROKERAGE

The Chief Compliance Officer shall be responsible for reviewing, on a quarterly basis or more often as may be necessary, City Center Advisors’ advisory agreements and Form ADV Part 2 to ensure that proper and accurate disclosure regarding the directed brokerage arrangement is being given to clients.

19. SOFT DOLLARS

The Securities and Exchange Commission (SEC) has defined “soft dollar” practices as arrangements under which products or services, other than execution of securities transactions, are obtained by an investment advisor from or through a broker-dealer in exchange for the direction by the advisor of client brokerage transactions to the broker-dealer.

19.1 *City Center Advisors Policy and Procedure: Soft Dollar Practices*

City Center Advisors participates in TD Ameritrade’s institutional customer program and City Center Advisors may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between City Center Advisors’ participation in the program and the investment advice it gives to its Clients, although City Center Advisors receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving City Center Advisors participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by City Center Advisors’ related persons. Some of the products and services made available by TD Ameritrade through the program may benefit City Center Advisors but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help City Center Advisors manage and further

develop its business enterprise. The benefits received by City Center Advisors or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by City Center Advisors or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the City Center Advisors' choice of TD Ameritrade for custody and brokerage services.

20. PRINCIPAL TRADING AND AGENCY CROSS TRANSACTIONS

In general, an advisor, acting as principal for his own account, cannot buy any security from or sell any security to his client unless the advisor has disclosed to the client his capacity in the transaction and such disclosure is made in writing prior to such transaction and the client has given his written consent to such transaction. Likewise, where an advisor acts as broker to both the advisory client and the other side of the transaction, the advisor, acting as broker for a person other than its client, cannot buy any security for its client or sell any security to its client, unless the advisor discloses, in writing, the capacity in which the advisor is acting and such disclosure is made and the client has given his written consent to the transaction prior to the transaction. Compliance with Section 206(3) under the Advisors Act is required for investment advisors that engage in principal and agency cross transactions.

Section 206(3)², [Disclosure of Capacity] states that it is a prohibited practice for an advisor "acting as principal for his own account, knowingly to sell any security to or purchase any security from a client, or acting as broker for a person other than such client, knowingly to effect any sale or purchase of any security for the account of such client, without disclosing to such client in writing before the completion of such transactions the capacity in which he is acting and obtaining the consent of the client to such transaction. The prohibitions of this paragraph (3) shall not apply to any transaction with a customer of a broker or dealer if such broker or dealer is not acting as an investment advisor in relation to such transaction."

Agency cross transactions are permitted if the advisor meets the following five criteria stated in Rule 206(3)-2(a)(1-5): 1) the client has executed a written consent authorizing the advisor to effect agency cross transactions and that the consent is obtained after full written disclosure of the agency cross transactions; 2) the advisor sends to each client a written confirmation at or before the completion of the transaction including the nature of the transaction, the date of the transaction, offering the time the transaction took place, the source and amount of remuneration received by the advisor and other criteria; 3) the advisor sends to each client, at least annually, a written disclosure statement identifying the total number of transactions since the date of the last statement or summary, and the total of all commissions or other remuneration received by the advisor during the period; 4) each written disclosure or confirmation required includes a conspicuous statement that the written consent may be revoked at any time by written notice to the advisor from the advisory client; and 5) no transaction is effected in which the same advisor recommended the transaction to both any seller or any purchaser.

An advisor must be aware of principal and agency-cross transaction issues when trading through affiliated firms and, when appropriate must ensure that all appropriate consents and disclosures are made. Practices such as an advisor purchasing securities for wrap fee clients through an affiliated broker at competitive prices (national best bid/offer) with contemporaneous offsetting transactions at better prices resulted in undisclosed compensation for an advisor and violated its best execution obligation. (*Portfolio Management Consultants* IA Release No. 1568 June 27, 1996). Similar violations have been found for executing transactions through an affiliated broker-dealer in exchange for order flow or undisclosed transaction fees imposed on wrap fee clients, (*Gruntal & Co.* IA Release No. 1560 April 9, 1996).

² See *Piper Capital Management*, SEC enforcement case (Release 1A-1435). In footnote one of the releases, the SEC indicated that "The Commission interprets the phrase "completion of such transaction" under Section 206(3) of the Advisors Act to mean prior to the execution of the transaction". See also the SEC No-Action Letter dated April 16, 1997 on principal trading by sponsors of wrap fee programs.

20.1 *City Center Advisors Policy: Principal and Agency Cross Transactions*

City Center Advisors does not engage in any principal or agency cross transactions.

21. WRAP FEES

City Center Advisors does not sponsor a wrap fee program.

22. FINANCIAL PLANNING

22.1 *Policy*

City Center Advisors requires all financial planning activities conducted by the IAR for compensation be conducted through City Center Advisors. By its general nature, financial planning is a broad term that may or may not include advice on securities. Financial planning activities may be offered by City Center Advisors to customers or prospective customers, based on the customer's needs and desires.

22.2 *Procedure*

Required Agreements

Prior to entering into a relationship with a client to provide financial planning services, City Center Advisors is required to enter into a financial planning agreement using the standard form supplied by City Center Advisors. A copy of any agreement entered into by a customer for financial planning services are required to be provided to City Center Advisors' Operations Department.

Billing for Financial Planning Services

All financial planning fees are to be paid directly to City Center Advisors. Payment may not be made payable to any individual representative of City Center Advisors.

Duties in Providing Financial Planning Services

City Center Advisors is responsible for conducting financial planning activities in a manner that is consistent with requirements as a fiduciary. Under no circumstances may City Center Advisors:

- a. employ any device, scheme, or artifice to defraud a customer or prospective customer
- b. engage in any practice, transaction, or course of business, which defrauds or deceives a customer or prospective customer
- c. engage in fraudulent, manipulative, or deceptive practices

In meeting such requirements, City Center Advisors has:

- a. a duty to have a reasonable, independent basis for its investment advice
- b. a duty to ensure that its investment advice is suitable to the client's objectives, needs and circumstances
- c. a duty to be loyal to clients.

23. SELECTION OF OTHER ADVISORS/MANAGERS

Prior to entering into an agreement with another advisor for asset management services, City Center Advisors will conduct a full due diligence investigation into the advisor and their business practices. The Chief Compliance officer is responsible for conducting and documenting the initial and annual due diligence review of each advisor. The due diligence investigation of another advisor will include the following (at a minimum):

- a. Verify the adviser and its associates are properly registered as investment advisor and investment advisor representatives; ensure they are registered in the states that you conduct business (notice filed for SEC registered firms).
- b. Review advisors entire Form ADV, disclosure brochures, marketing material, and client agreements.
- c. Conduct an IAPD check of the money manager(s).

- d. If the advisor has a pre-determined minimum amount for assets under management, verify that City Center Advisors meets this requirement.
- e. Verify that the advisor and/or money managers maintains error and omissions insurance, fidelity bond and/or an ERISA fiduciary bond (if applicable).
- f. Review Form U4 disclosures of City Center Advisors' officers, directors and portfolio managers to analyze any reported regulatory actions, criminal actions, civil actions, customer complaints, arbitrations and financial disclosures.
- g. Review the money manager's past performance and measure that performance against various indexes.
- h. Request the Business Continuity Plan.

24. ERISA MATTERS

As a fiduciary with special responsibilities under ERISA, City Center Advisors will closely monitor its duties to its ERISA clients and consult with ERISA counsel as may be appropriate.

These responsibilities are not governed solely by the SEC or the Advisors Act, but include the U.S. Department of Labor's rules for ERISA accounts. Typically, an employee benefit plan is covered by ERISA unless it is (1) an individual retirement account or annuity established by an individual employee to which his/her employer does not contribute; (2) a plan which covers only the sole owner of a business (incorporated or unincorporated) and/or his/her spouse; (3) a partnership pension plan which covers only partners and their spouses; or (4) a governmental plan. ERISA accounts include those established by pension plans, profit sharing and 401(k) plans and their trusts.

Under ERISA section 404(a)(1), plan fiduciaries, including persons to whom named fiduciaries delegate certain fiduciary responsibilities, such as investment managers, must discharge their duties solely in the interest of the participants and beneficiaries and,

- a. for the exclusive purpose of providing benefits and defraying reasonable administrative expenses;
- b. with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims (the prudent man rule);
- c. by diversifying plan investments so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
- d. in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of title I of ERISA.

ERISA Bonds: Investment advisors are required to be bonded if they manage any ERISA accounts, unless the agreement includes a provision that the investment advisor be included as a named fiduciary on the Plan document, and that a rider be attached to the bond adding the investment advisor as a named fiduciary. Proof of ERISA bonding is recommended.

Plan and Trust Documents: A copy of the plan document and the plan trust document should be obtained for ERISA clients. It may be acceptable to obtain only those relevant pages of these documents which apply to the relationship between the plan and the advisor (these pages would include, but are not limited to: authority to appoint an investment manager, proxy voting responsibilities, ERISA bonding, investment policy guidelines, cash requirements, contribution and disbursement requirements, restrictions on securities, restrictions on percentage allocations, meeting schedules and reports required to be issued by the advisor).

State-Registered Advisors: On November 10, 1997, legislation was signed into law that allows state-registered investment advisors to act as investment managers to ERISA plans. This law makes permanent what was a temporary change under NSMIA. The new law amends Title 1 of ERISA to allow

state-registered advisors to be investment managers to ERISA plans if the advisor is registered in the state in which it maintains its principal place of business.

25. CUSTODY

Sec. 36b-31-5b(2)(A)) sets forth books and records required for advisors who have custody or possession of client securities or funds.

The State's position is that a person has custody of client assets, when it holds, "directly or indirectly, client funds or securities or has any authority to obtain possession of them. Examples under which an advisor has custody include:

- a. An advisor has custody when it has possession of client funds or securities, even briefly. An advisor that holds clients' stock certificates or cash, even temporarily, puts those assets at risk or misuse or loss. Excluded from this is inadvertent receipt by the advisor of client funds or securities, so long as the advisor returns them to the sender within three business days of receiving them. The rule does not permit advisors to forward clients' funds and securities without having "custody" although advisors may certainly assist clients in such matters. Custody does not include the receipt of checks drawn by clients and made payable to unrelated third parties and shall not meet the definition of custody if forwarded to the third party by close of business on the first business day after the date of receipt by the investment adviser
- b. An advisor has custody if it has the authority to withdraw funds or securities from a customer's account. An advisor with power of attorney to sign checks on a client's behalf, to withdraw funds or securities from a client, or to dispose of client funds or securities for any purpose other than authorized trading has access to the client's assets. Similarly, an advisor authorized to deduct advisory fees or other expenses directly from a client's account has access to, and therefore custody of, the client funds and securities in that account.
- c. An advisor has custody if it acts in any capacity that gives the advisor legal ownership of, or access to, the client funds or securities. One common instance is a firm that acts as both general partner and investment advisor to a limited partnership. By virtue of its position as general partner, the advisor generally has authority to dispose of funds and securities in the limited partnership's account and thus has custody of the client's assets.
- d. An advisor acts pursuant to a standing letter of authorization ("SLOA") or other similar asset transfer authorization arrangement established with a client and a qualified custodian. An SLOA arrangement where an advisor does not have discretion as to the amount, payee, and timing of transfers under an SLOA would not implicate the custody rule.
- e. An advisor may be deemed to have custody where the advisor is paid from client funds upon presentation of a bill to the custodian of the client's account. Rule 206(4)-2, requires advisors that have custody maintain client funds and securities with a broker-dealer, bank or other qualified custodian. All custodians City Center Advisors works with are "qualified custodians."

In addition, separate books and records are required when an advisor has custody.

Advisors may also find themselves in situations with affiliates or with their own organizations (where City Center Advisors provides advisory and non-advisory services) where custody issues may apply. The SEC has identified and re-stated five factors that are to be used to determine if an investment advisor has custody where another branch of the advisor's business, rather than the advisory business itself, has custody of client funds or securities. Advisors with affiliated entities should review the no-action letter that originally outlined the five factors, *Crocker Investment Management Corp.*, (publicly available 4/17/78). The five factors are:

- a. whether client property in the custody of the affiliated company might be subject, under any reasonable foreseeable circumstances, to the claim of City Center Advisors' creditors;
- b. whether advisory personnel have the opportunity to misappropriate client property;

- c. whether advisory personnel ever have custody or possession of or direct or indirect access to client property, or the power to control the disposition of such property to third parties for the benefit of the advisor or its affiliated persons;
- d. whether advisory personnel and personnel of the affiliated company who have possession or custody of, or control over, or access to, client property are under common supervision; and
- e. whether advisory personnel hold any position with the custodian or share premises with the custodian and, if so, whether they have, either directly or indirectly, access to or control over client property.

25.1 City Center Advisors Policy: Custody of Client Assets

City Center Advisors is deemed to have custody solely due to the deduction of management fees from client accounts. For purposes of complying with the Advisors Act custody rules, the following procedures shall be applicable:

- a. **Payment of Fees.** Pursuant to its existing investment advisory programs, City Center Advisors' fees are generally paid from client funds upon presentation of a bill to the custodian of the client's account. City Center Advisors shall undertake the following procedures:
 - i. City Center Advisors shall disclose to the client, on the quarterly statement, that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee was properly calculated;
 - ii. City Center Advisors shall send a bill to the custodian indicating only the amount of the fee to be paid by the custodian;
 - iii. The client shall authorize City Center Advisors in the investment management contract or otherwise in writing to receive fees directly from the client's account being held by the custodian; and
 - iv. The custodian shall agree to send the client, at least quarterly, a statement indicating all amounts disbursed from the account.

26. TELEMARKETING RULE

In accordance with the Telephone Consumer Protection Act of 1991, the Federal Communications Commission instituted a "Cold Calling Rule." The purpose of this rule is to establish procedures eliminating telephone solicitations to residences, which have requested that the solicitations cease, and to place the use of automatic telephone dialing systems, pre-recorded and/or artificial voice messages and facsimile machines under some uniform regulation.

The following guidelines will be strictly adhered to on any solicitation of customer or sales utilizing cold calling and any violations will result in disciplinary action:

Time Restriction: Cold calls are not permitted to a called party's location before 8 am or after 9 p.m.

Restriction Lists: Any called party, which requests that cold calls no longer be made to them will have their names added to a list maintained by City Center Advisors. Any employee who receives such a request from a called party is required to immediately give the individual's name to the appropriate individual for addition to the list.

Identification: Any employee making a cold call must provide the called party with:

- a. the caller's name
- b. the name of City Center Advisors
- c. City Center Advisors' telephone number
- d. City Center Advisors' address

If there are any questions concerning what is and what is not permitted concerning cold calling, please direct your questions to the Chief Compliance Officer.

26.1 City Center Advisors Policy: Telemarketing

All telemarketing calls by advisory representatives and other employees at City Center Advisors shall be made in strict compliance with the FCC's cold calling rules and applicable State telemarketing legislation.

26.2 City Center Advisors Procedure: Cold Calling

- a. Prior to making any telemarketing calls, all names of prospective clients shall be checked against the National do-not-call list. In no event shall prospects, who are not existing clients and whose names appear on the do-not-call lists, be called for telemarketing purposes.
- b. All telemarketing calls shall be made in accordance with the FCC's cold calling rule, including the requirements regarding time restrictions and identification.
- c. All telemarketing calls shall strictly follow a script that has been reviewed and approved by the Compliance Department.

27. PRIVACY POLICY

City Center Advisors' Privacy Policy Notice is provided in the form of a consumer brochure. City Center Advisors is committed to adhering to the requirements and expectations regarding the privacy of personal information. Privacy regulations are founded upon three definitions:

- a. **Consumer** – a person who purchases products from City Center Advisors, but is not yet in an investment advisory relationship with City Center Advisors, or a person who provides non-public personal information after attending a seminar, but has not yet established an investment advisory relationship with City Center Advisors.
- b. **Client** – a person with a continuous relationship with City Center Advisors, or that individual's designated representative.
- c. **Confidential Information** – personally identifiable private information, not available from public sources, about a client or consumer. It general includes name, address, age, social security number, assets, income, net-worth, account balances, account numbers, beneficiary information, or investment history.

27.1 City Center Advisors Privacy Policy

City Center Advisors collects non-public information about client and consumers. City Center Advisors will not share non-public information about clients or consumers with third parties not affiliated with City Center Advisors, except as noted below:

- a. To complete transactions or account changes, as directed by the client
- b. To maintain or service a client's account
- c. If requested by the client
- d. With contracted service providers of administrative functions for City Center Advisors
- e. If City Center Advisors is required or permitted by law or regulatory authorities with jurisdiction over City Center Advisors

27.2 Notices to Clients

A. Initial Privacy Notice

City Center Advisors will deliver an initial privacy notice before or at the time the client relationship is established.

B. Annual Privacy Notices

City Center Advisors will deliver our privacy notice to clients on an annual basis. Verification of delivery will be documented in a spreadsheet with the date, manner of delivery and client name to whom the notice was sent.

27.3 Safeguarding Client Information

City Center Advisors will employ the following safeguards in order to make a reasonable effort to safeguard client information:

- a. Require new and existing employees to review and acknowledge, in writing, City Center Advisors' compliance manual, including this privacy policy.
- b. Prohibit employees from providing client information over the telephone or via e-mail unless the employee has identified the recipient as the client, an authorized representative of the client, or an authorized agent of the client.
- c. Limit access to client personal information by safeguarding and securing Client Records.
 - i. City Center Advisors' office(s) will be locked during non-business hours.
 - ii. Hard copy records will be maintained in a locked file cabinet or file room.
- d. Use appropriate security measures for computers and networks, such as password and firewalls.
- e. Use a shredding machine, locks, or other physical security measures.
- f. Engage a third party provider only after the provider has agreed to adhere to these same security and privacy standards.

City Center Advisors has implemented the following policies and procedures for our Identity Theft Prevention Program.

City Center Advisors has identified the following as "red flags":

- a. The photo or physical description on the ID is not consistent with the appearance of the customer. Information on the ID is inconsistent with the information provided by the customer.
- b. Alerts have been issued from regulatory bodies or law enforcement of which the staff is yet unaware.
- c. An application appears to have been altered or forged.
- d. There are requests for suspicious activity on an account, such as electronic bank transfers to third party or requests for account information from an unknown source.

To help identify red flags, the following procedures will be followed:

- a. The staff will be trained to look carefully at IDs to determine whether or not the individual in the photo looks like the client or whether or not the address provided by the client matches the one listed on the ID.
- b. Client names will be compared to lists provided by regulatory bodies and/or law enforcement (such as OFAC list).
- c. The staff will be trained to look at all applications for possible alterations.
- d. Verification of identification will be required to help ensure that all requests are authentic and not fraudulent.

When a red flag has been identified, we will respond by executing the appropriate measure(s) described below:

- a. A second form of ID will be required before proceeding if the initial ID is suspect. If none is provided, the process is halted.
- b. The acting regulatory body will be contacted regarding suspicious activity.
- c. Information is reviewed and any fraudulent looking documentation will be re-executed.
- d. If the client cannot provide proper information to verify identification, the transaction will not be completed.

This program will be approved by and will be administered by City Center Advisors' CCO. City Center Advisors will hold an annual meeting, including administrative staff, to provide continuing education. The staff will remain vigilant and research new regulations on an annual basis and update the policies and procedures accordingly.

28. CYBERSECURITY

28.1 Policy

City Center Advisors' cybersecurity policy, in conjunction with our firm's Privacy Policy, recognizes the critical importance of safeguarding client's personal information as well as the confidential and proprietary information of City Center Advisors and its employees. Maintaining the security, integrity and accessibility of the data maintained or conveyed through City Center Advisors' operating systems is a fundamental requisite of our business operations and an important component of our fiduciary duty to our clients. While recognizing that the very nature of cybercrime is constantly evolving, City Center Advisors conducts periodic vulnerability assessments based on our firm's use of technology, third-party vendor relationships, reported changes in cybercrime methodologies, and in response to any attempted cyber incident, among other circumstances.

Protecting all the assets of our clients and safeguarding the proprietary and confidential information of City Center Advisors and its employees is a fundamental responsibility of every employee, and repeated or serious violations of these policies may result in disciplinary action, including, for example, restricted permissions or prohibitions limiting remote access, restrictions on the use of mobile devices, and/or termination.

28.2 Procedures

Periodic Risk Assessment and Inventory

A thorough analysis of all information networks and systems will be conducted on a periodic basis to document the threats and vulnerabilities to stored and transmitted information. The analysis will examine the types of threats – internal or external, natural or manmade, electronic and non-electronic – that affect the ability to manage the information resource. The analysis will also include an evaluation of the information assets and the technology associated with its collection, storage, dissemination and protection.

From the combination of threats, vulnerabilities, and asset values, an estimate of the risks to the confidentiality, integrity and availability of the information will be determined. The frequency of the risk analysis and testing will be determined by the CCO.

Based on the periodic assessment, measures will be implemented that reduce the impact of the threats by reducing the amount and scope of the vulnerabilities.

The periodic assessment may include review of:

- a. physical devices and systems
- b. software platforms and applications
- c. firm's networks and associated connections and logging capabilities (both on-site and remote)
- d. possible risks from terminated or disgruntled employees
- e. methods of encryption.

From time to time, City Center Advisors may utilize the services of third-party vendors to assist the firm in assessing risks and vulnerabilities of its information technology architecture. Such services may include vulnerability and penetration analysis exercises pursuant to best industry practices and/or as recommended by the selected vendor.

Information Systems and Controls

All involved systems and information are assets of Adviser and are expected to be protected from misuse, theft, unauthorized manipulation, and destruction. These protection measures may be physical and/or software based.

- a. **Ownership of Software:** All computer software developed by or licensed for use is the property of City Center Advisors and must not be copied for use at home or any other location, unless otherwise specified by the license agreement.
- b. **Installed Software:** All software packages that reside on computers, laptops, tablets, smartphones within City Center Advisors must comply with applicable licensing agreements and restrictions and must comply with software policies. These will also be updated periodically with the most recent updates.
- c. **Virus Protection:** Virus protection and anti-malware software, as well as most current security patch updates approved by the CCO is installed on all devices (desktops, servers, gateways, etc.) to ensure all electronic files are appropriately scanned for viruses. These scans are constantly running providing real-time virus detection. Users are not authorized to turn off or disable virus checking systems. All such software applications and patches will be installed either during regularly-scheduled system maintenance or as they become available from their respective vendors. Antivirus software will be checked automatically for updates.
- d. **Access Controls:** Physical and electronic access to private, confidential and internal information and computing resources is controlled. To ensure appropriate levels of access by internal employees, a variety of security measures will be instituted as recommended by the CCO. Mechanisms to control access to such information may include, but not limited to, the following methods:
 - i. **Authorization:** Access will be granted on a “need to know” basis and must be authorized by the CCO.
 - ii. **Identification/Authentication:** Unique user identification and authentication is required for all systems that maintain or access private, confidential or internal information. Users will be held accountable for all actions performed on the system with their user id.
 - Adviser requires strictly controlled passwords on all devices to conduct business and access to client data.
 - The user must secure his/her authentication control (e.g. password) such that it is known only to that user and possibly the CCO.
 - Automatic timeout re-authentication may be required after a certain period of no activity.
 - Automatic password disabling and resetting procedures will be deployed after a certain number of unsuccessful log-in attempts.
 - Resetting of passwords will be required on a quarterly basis on all firm-owned equipment.
 - The user must log off or secure the system when leaving it for an extended period of time.

- iii. **Transmission Security:** Technical security mechanisms will be put in place to guard against unauthorized access to data that is transmitted over a communications network, including wireless networks. Data encryption techniques will be deployed, where deemed appropriate and feasible.
 - iv. **Remote Access:** Access into City Center Advisors' network from outside will be granted using approved devices and pathways on an individual user and application basis. All other network access options are strictly prohibited. Further, private, confidential and/or internal information that is stored or accessed remotely must maintain the same level of protections as information stored and accessed within City Center Advisors' network. Employees may utilize the benefits of VPNs, which are a "user managed" service.
 - It is the responsibility of employees with VPN privileges to ensure that unauthorized users are not allowed access to firm's internal networks.
 - VPN use is to be controlled using a one-time password authentication with a strong passphrase.
 - When actively connected to the corporate network, VPNs will force all traffic to and from the PC over the VPN tunnel: all other traffic will be dropped.
 - All computers connected to City Center Advisors' internal networks via VPN or any other technology must use the most up-to-date anti-virus software.
 - By using VPN technology with personal equipment, users must understand that their machines are a de facto extension of City Center Advisors' network, and as such are subject to the same rules and regulations that apply to firm-owned equipment.
 - v. **Physical Access:** Access to areas in which information processing is carried out must be restricted to only appropriately authorized individuals. The following physical controls will be implemented:
 - File servers containing private, confidential and/or internal information must be installed in a secure area to prevent theft, destruction, or access by unauthorized individuals.
 - All workstations or personal computers must be secured against use by unauthorized individuals with the use of automatic screen savers with passwords to protect unattended machines.
- e. **Other Media Controls:**
 - i. Employees are prohibited from storing private, confidential and/or internal information on external media (CDs, portable storage, flash drives, etc.) without prior approval by the CCO. If the use of such media is necessary and is approved, information thus stored must be protected from theft and unauthorized access, appropriately labeled and must never be left unattended in unsecured areas.
 - ii. Employees are strongly discouraged from storing private and confidential information on mobile computing devices. In any event, such information

must never be stored on mobile computing devices (e.g. laptops, personal digital assistants (PDA), smart phones, tablet PC's, etc.) unless the devices have the following minimum-security requirements implemented:

- Power-on passwords
- Auto logoff or screen saver with password

Further, mobile computing devices must never be left unattended in unsecured areas.

- iii. Equipment and Media Controls: The disposal of equipment and information must ensure the continued protection of private, confidential and internal information. Consequently, all types of media, including physical, magnetic and electronic must be disposed in a secured fashion, either by verified destruction on-site or through a reliable third-party vendor.
- iv. City Center Advisors will not advise clients to transmit data via secured means (e.g. Dropbox)
- v. For any instructions received via electronic communication, City Center Advisors will call the client to confirm verbally the instructions.

Contingency Plan

City Center Advisors has established controls that allow it to recover from damage to computer equipment or files within a reasonable period of time due to a system emergency or other occurrence (e.g., fire, vandalism, system failure and natural disaster) that damages systems that contain private, confidential and/or internal information. Policies and procedures have been developed to address the following:

- a. Data Backup Plan:
 - i. A data backup is run daily to create and maintain, for a specific period of time, retrievable exact copies of information.
 - ii. Backup data is stored in a secure location, on a protected separate device.
 - iii. Backup data is afforded the same level of protection as the original data.
- b. Disaster Recovery Plan: A disaster recovery plan has been developed and documented which contains a process enabling the entity to restore any loss of data in the event of fire, vandalism, natural disaster, or system failure.

Service Provider Management

If not managed effectively, the use of third-party service providers may expose City Center Advisors to certain cybersecurity threats. Consequently, City Center Advisors has implemented the following risk-management policies and procedures when sharing private, confidential and/or internal information with third-party vendors and service providers:

- a. Risk-based vendor due diligence based on vendor type and nature of information shared;
- b. Access restriction controls and segregation of sensitive network resources based on services provided and access needed;

- c. Contractual provisions, whenever possible, requiring third-party service providers to safeguard private, confidential and/or internal information;
- d. Periodic attestations regarding the adequacy and effectiveness of service providers' internal policies and procedures designed to protect data and ensure its integrity and retention.

Reporting and Investigation of Security Incidents

It is the responsibility of each employee to report actual and perceived security incidents on a continuous basis to their respective manager or directly to the CCO. Reports of security incidents shall be escalated as quickly as possible. Each incident will be analyzed to determine if changes in the existing security structure are necessary. All reported incidents are logged, and the remedial action indicated. It is the responsibility of the CCO to provide training on any procedural changes that may be required as a result of the investigation of an incident. The CCO will determine whether any particular incident warrants contact with state and/or federal law enforcement officials or regulatory agencies.

Employee Training

It is the responsibility of each employee to comply with this policy and protect private, confidential and/or internal information. Each employee will receive a copy of this policy and sufficient training to understand its overall goals and specific provisions. The CCO has the responsibility for the development and delivery of initial security training. Security training will be provided to all new employees as part of the orientation process. Attendance and/or participation in such training is mandatory for all employees. The CCO is responsible for maintaining appropriate documentation of all training activities.

Additional training may be provided on an as-needed basis, especially in response to newly identified risks, operational changes, new regulatory requirements or firm's experiences with cybersecurity threats.

Data Breach Notification

If a data breach occurs, City Center Advisors will:

- a. Assess the nature and scope of the incident, identify what customer information systems and types of customer information have been accessed or misused;
- b. Notify the appropriate regulator, as soon as possible, when City Center Advisors becomes aware of an incident involving unauthorized access to or use of sensitive customer information;
- c. In situations involving criminal violations requiring immediate attention, such as when a reportable violation is ongoing, promptly notify appropriate law enforcement authorities;
- d. Take appropriate steps to contain and control the incident to prevent further unauthorized access to or use of customer information; and
- e. Notify customers when warranted, in a manner designed to ensure that a customer can reasonably be expected to receive it.

Sensitive Information:

For purposes of this guidance, sensitive customer information means a customer's name, address or telephone number in conjunction with the customer's Social Security number, driver's license number, account number, credit or debit card number, or a personal identification number or password that would permit access to the customer's account. It also includes any combination of components of

customer information that would allow someone to log on to or access the customer's account, such as username and password or password and account number.

When Customer Notice Must be Provided

City Center Advisors will provide notice to its customers whenever it becomes aware of an incident of unauthorized access to customer information and, at the conclusion of a reasonable investigation, determines that misuse of the information has occurred, or it is reasonably possible that misuse will occur.

Customer Notice

Customer notice will be given in a clear and conspicuous manner. The notice will include the following items:

- a. Description of the incident;
- b. Type of information subject to unauthorized access;
- c. Measures taken by City Center Advisors to protect customers from further unauthorized access;
- d. Telephone number customers can call for information and assistance; and
- e. Remind customers to remain vigilant over next twelve to twenty-four months, and report suspected identity
- f. theft incidents to City Center Advisors and the appropriate authorities.
- g. Notify the nationwide consumer reporting agencies prior to sending notices to a large number of customers that include contact information for the reporting agencies.

Customer notice will be delivered in a manner designed to ensure that a customer can reasonably be expected to receive it. For example, City Center Advisors may choose to contact all customers affected by telephone or by mail, or by electronic mail for those customers for whom it has a valid e-mail address and who have agreed and given permission to receive communications electronically.

29. SUPERVISION

Investment Advisor Representatives and "Access Persons" are hired, trained and supervised by the Chief Compliance Officer. City Center Advisors screens new personnel for qualifications and disciplinary history. All personnel must have no convictions with respect to securities activities and all persons providing investment advice be an Investment Advisor Representative meeting the registration requirements of their applicable state. All employees will be kept current on any material firm or regulatory changes through internal e-mail and quarterly trainings.

Section 203(e)(6) of the Advisors Act authorizes the Securities and Exchange Commission to take appropriate action against an investment advisor if the advisor or any person associated with the advisor "has failed reasonably to supervise, with a view to preventing violations of the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisors Act of 1940, the rules or regulations under any of those statutes or the rules of the Municipal Securities Rulemaking Board". The Section further provides that "no person shall be deemed to have failed reasonably to supervise any person if—

- a. there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

- b. such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.”

Particular controls will vary from advisor to advisor, depending on factors such as size, method of operation, internal structure, and type of client (e.g., mutual funds). However, certain principles will govern the creation of any advisor control system:

- a. The advisor should analyze its operations to be sure that they comply with the requirements of the various securities laws—federal and state—as well as other applicable laws and regulations (e.g., ERISA; Investment Company Act if advisor advises mutual funds) and should use that analysis to create and document a system of controls, or to supplement its existing control system.
- b. City Center Advisors should undertake a program to educate its personnel so that they understand the policies and procedures that make up the controls and understand their responsibility to follow those policies and procedures.
- c. City Center Advisors should adopt a program of testing and review designed to provide reasonable assurance that its policies and procedures are being followed and are effective.

Gifts, Rebates or Other Payments

Due to the numerous relationships City Center Advisors has with its clients and other entities, employees may not solicit gifts or gratuities. Generally, entertainment would include meals, conferences and sponsored outings. The biggest distinguishing factor from a gift and entertainment is whether persons from the firm who are irrelevant to the business relationship attend the event. Therefore, if an individual only receives sporting tickets and is unaccompanied by someone connected to the firm, that would be considered a gift.

In addition, gifts of an extraordinary or extravagant nature to an employee are to be declined or returned in order to not compromise the reputation of the employee or City Center Advisors. Gifts of nominal value or those that are customary in the industry such as meals, entertainment, etc. are appropriate, keeping in mind that the individual or firm that is providing the entertainment needs to be present. Otherwise, the entertainment could be classified as excessive.

Company swag is not considered a gift, but would be classified as advertising.

All gifts given to clients or received by employees must be recorded on the Gift Ledger (Exhibit I.)

Any form of a loan by an employee to a client or by a client to an employee is not allowed as a matter of City Center Advisors’ policy and good business practice.

Any questions about gifts, gratuities or other payments to or from employees are to be reviewed by the employee’s supervisor and the Compliance Officer.

Outside Employment or Other Activities

Any employment or other outside activity by an employee may result in possible conflicts of interest for the employee or for City Center Advisors and therefore should be reviewed and approved by the employee’s supervisor and the Compliance Officer. The investment advisor representative must submit the Outside Business Activity Form (Exhibit F) to the CCO. Outside activities that must be reviewed and approved include such activities as the following:

- a. Being employed or compensated by any other entity
- b. Active in any other business including part-time, evening or weekend employment
- c. Serving as an officer, director, partner, etc. in any other entity
- d. Ownership interest in any non-publicly traded company or other private investment, or
- e. Any public speaking or writing activities

Written approval for any of the above activities is to be obtained by an employee before undertaking any such activity so that a determination may be made that the activity does not interfere with any of the employee’s responsibilities at City Center Advisors and any conflict of interest in such activity may

be addressed. (Certain Form ADV disclosures and amendments may be applicable, including revision to sections of this manual.)

Compensation may include salary, stock options or warrants, referral fees, or providing or discounting of services or products for remuneration. Generally, remuneration consisting of anything of present or future value for services rendered may be considered compensation.

The firm must be made aware of foundation or charitable activities but are general not filed as an OBA on the Form U-4 unless the associate is being compensated or services in an investment advisory or trustee capacity that the firm believes should be disclosed.

Written approval for any of the above activities is to be obtained by a Supervised Person before undertaking any such activity so that a determination may be made that the activities do not interfere with any of the individual's responsibilities at the firm and any conflicts of interests in such activities may be addressed. An individual seeking approval shall provide the following information to the CCO: (1) the name and address of the outside business organization; (2) a description of the business of the organization; (3) compensation, if any, to be received; (4) a description of the activities to be performed; and (5) the amount of time per month that will be spent on the outside activity.

Records of requests for approval along with the reasons such requests were granted or denied are maintained by the CCO.

City Center Advisors has an affirmative duty of care, loyalty, honesty, and good faith to act in the best interest of its clients. All supervised persons must refrain from engaging in any activity or having a personal interest that presents a "conflict of interest." A conflict of interest may arise if your personal interest interferes, or appears to interfere, with the interests of City Center Advisors or its clients. A conflict of interest can arise whenever you take action or have an interest that makes it difficult for you to perform your duties and responsibilities for City Center Advisors honestly, objectively and effectively.

If an IAR is also a registered representative ("RR") of a Broker-Dealer (B/D), the RR is required to receive written approval to be an IAR of a registered investment advisor and may be required to provide client information to the B/D. The IAR must provide the client written notice of the sharing of the personal and transactional information with the B/D.

City Center Advisors may require the investment advisor to submit a Monthly Activity Report disclosing activities. (Exhibit G)

Investment Advisor Representatives

City Center Advisors CCO or designee, at least annually, will conduct a review. All findings will require remediation by the IAR within 30 days of the date of the written report. Deficiencies that are not corrected timely may result in disciplinary action for the IAR. Repeat and numerous deficiencies may result in more frequent and unannounced reviews. The following may be included, but is not limited to, a review of the IAR's:

- a. Advertising and Marketing - Determine if all materials in use have been reviewed and approved. Conduct internet searches to detect undisclosed materials, social media, websites and any other web presence.
- b. Anti-Money Laundering – Review controls to ensure proper processes for customer identification and verification, monitoring for suspicious activity, record-keeping and reporting requirements. Ensure adequate monitoring of clients, funds and transfers for money laundering red flags.
- c. Best Execution, Soft Dollars & Directed Brokerage – Review for marketing support, conference trips, due diligence meetings, access to perks, etc. being received directly from custodian, TPM, sub-advisor, etc. and confirm eligibility under 28(e) safe harbor. Ensure procedure of directed brokerage is accurate.

- d. Books and Records - Maintenance of IAR file, complaint file, correspondence file, advertising file, compliance file, trade error blotter, checks and stock receipts blotter and trade blotter.
- e. Code of Ethics & Personal Securities Transactions – Acknowledgement of receipt and adherence to the Code. Timely submission of initial and quarterly transaction reports. Review of gifts and gratuities.
- f. Contracts & Advisory Agreements – Review all advisory agreements in use by IAR for current versions and accurate fee schedules. Review client files for executed agreements.
- g. Custody - Review for any relationships that may result in constructive custody of client funds. Review all accounts with SLOAs.
- h. Disaster Recovery & Business Continuity – Review branch preparedness and recovery for business interruptions.
- i. Email & Electronic Communication – Ensure all email addresses have been disclosed and are monitored. Obtain and review email correspondence from undisclosed addresses.
- j. ERISA – Review client files for ERISA 408(b)-2 disclosures are present.
- k. Insider Trading – Review disclosure of outside accounts. Determine if there are undisclosed accounts or trading. Access to inside information.
- l. Investment Processes, Suitability & Complaints – Review suitability process and method(s) of determination. Determine if suitability was met with any client restrictions or conditions. Review for accurate complaint reporting and undisclosed complaints.
- m. Political Contributions & Pay-To-Play – Review for unapproved or over limit contributions and public plan or government accounts receiving services within two (2) years of campaign contributions.
- n. Principal Trading – Review trade blotter compared to personal transaction reports of branch personnel.
- o. Privacy, Cybersecurity & Regulation S-ID – Review security controls and access. Maintenance and dissemination of non-public private client information.
- p. Proxy Voting – Review votes cast for compliance with proxy voting guidelines.
- q. Outside Business Activities – Review accuracy of duties of approved OBAs. Conduct web search for undisclosed activities and DBAs.
- r. Registration & Regulatory Reporting – Review for undisclosed events such as bankruptcy, compromises with creditors, tax liens, civil judgments, client complaints, felony charges or convictions, certain misdemeanor charges or convictions, and regulatory fines/sanctions.
- s. Solicitor Agreements – Ensure solicitor agreement and client disclosure are being executed and delivered.
- t. Trading Practices – Review accurate recording of activity to include trade tickets and blotters, trade errors and fees.
- u. Client Files – Ensure all required documentation is present including executed agreements, evidence of document delivery and applicable application documentation.
- v. Valuation of Securities & Fee Calculations – Review custodial pricing against any independent third-party source Identify any securities not priced by custodians and obtain multiple pricing sources
- w. Seniors & Vulnerable Adults - Review protection of Senior Safe/Elder Abuse red flags. Review processes and any trusted contact information.

Idle Cash

The State Staff believes that an advisor has a duty to seek to earn the best possible return for a client consistent with the client's investment objectives. This duty applies to both advisors who have custody of client assets and those who do not. Included in this duty is an obligation to invest any idle cash in the client's account. Cash balances that remain idle and uninvested for significant periods, particularly without the client's knowledge and consent, will probably serve as a "red flag" for examiners as an indication of a possible breach of fiduciary duty.

In investing idle cash balances, the advisor is expected to use the same degree of prudence he would employ with client assets generally. In certain circumstances, the SEC has permitted advisors to invest idle cash in affiliated money market funds; however, for accounts subject to ERISA, investments in affiliated funds may constitute prohibited transactions unless certain procedures are followed.

Policy: Money Laundering

Money laundering is illegal. Reasonable procedures will be implemented to prevent, detect, and report any possible money laundering activities to the appropriate authorities.

Procedures: Money Laundering

As of May 2013, investment advisers have not been identified as entities that must comply with the AML regulations. City Center Advisors does take precautions to knowing its clients. However, investment advisers may be delegated to perform certain AML responsibilities on the behalf of other entities and/or may be required to comply with certain related regulations (e.g., U.S. Treasury Office of Foreign Assets Control ("OFAC") reporting requirement and Internal Revenue Code/Bank Secrecy Act reporting procedures for cash transactions).

It is the policy of City Center Advisors to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets. Reasonable procedures will be implemented to prevent, detect, and report any possible money laundering activities to the appropriate authorities.

The CCO is familiar with federal requirements pertaining to AML. The CCO is responsible for investigating any "red flags" thoroughly. Specifically, advisors should be sensitive to the following:

- a. Activity inconsistent with a client's business or background
- b. Refusal or delays in provided requested documents or client information
- c. Transactions inconsistent with a client's financial background
- d. Lack of client interest in investment risks, commission charges, or performance
- e. Client questions about regulatory reporting requirements
- f. Frequent large purchases or movement of funds
- g. Frequent deposits or withdrawals of funds
- h. Transactions in cash or checks just under \$10,000.

City Center Advisors has established procedures to gather information for all accounts for the Customer Identification Program ("CIP"). The information includes: client's name, address, date of birth, telephone number, description of client's primary business, social security number or tax identification number and copy of government-issued document such as driver's license, passport or other similar document. City Center Advisors shall keep for five years after the closure of a customer's account all information collected during account opening and a record of all verification steps (if any) that have been taken with respect to a customer.

Should City Center Advisors be obligated to run the CIP information against the SDN Search based on the custodial agreement, City Center Advisors will run the client information provided by the Office of Foreign Assets Control at <http://sdnsearch.ofac.treas.gov/>.

If a true match of the client is determined to have occurred, the CCO will call the OFAC Hotline at 1-

800-540-6322 and notify the custodian of the suspicious activity.

Policy: Regulatory Visits and Press Inquiries

In the event an individual from any federal, state, or self-regulatory organization contacts City Center Advisors (either in writing or by telephone) or arrives for an inspection of City Center Advisors' principal place of business (or any branch office), the Compliance Officer and/or Supervising Principal must be notified immediately.

In the event of any inquiry from any member of the press, any and all such inquiries must be referred to our Compliance Officer or Supervising Principal immediately.

Policy: Supervision

City Center Advisors has adopted written policies and procedures, which are designed to set standards for City Center Advisors, its employees, and its businesses and are reasonably designed to detect and prevent any violations of regulatory requirements and City Center Advisors' policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals and departments he or she supervises to detect, prevent, and report any activities inconsistent with City Center Advisors' policies, procedures, and high professional standards.

- a. All personnel will be required to submit all new client account applications and applicable paperwork to City Center Advisors' CCO or other designated personnel for review and submission to the custodian or other appropriate entity.
- b. All personnel will be required to submit for approval all advertising and correspondence material prior to using or sending these items to their clients. This includes items such as, but not limited to; letterhead, business cards, seminars, websites, flyers, brochures, power point presentations, radio and print advertising, etc.
- c. Submission and preapproval for the usage of any d/b/a name used by any person or City Center Advisors.
- d. Since e-mails are considered correspondence, all IARs will be required to use a pre-approved e-mail address that will be monitored by City Center Advisors' CCO or designated supervisor. It is the responsibility of each employee of City Center Advisors to make available to the CCO copies of all email and/or client correspondence monthly for review.
- e. All personnel are required to immediately report to the CCO or other designated supervisory personnel any and all customer complaints – both verbal and written. This will be followed by further communication including a detailed explanation of the matter from the involved representative.
- f. All IARs and supervised personnel will be required to sign annual attestation statements acknowledging that they have read, understand, and agree to abide by the policies, procedures, and ethical business standards of the adviser.
- g. All IARs are required to keep extensive and complete notes of all client based conversations and transactions. [To the extent possible, a joint CRM program or system will be used to allow the CCO or designated supervisory personnel to review these notes and verify the details surrounding any client activity or transactions.] These notes must be readily available for review by the CCO or other designated supervisory personnel.

(For the purpose of this section a branch office is an office location containing IAR(s) or an RIA, regardless of distance from City Center Advisors' main office (which is the location where the Chief Compliance Officer (CCO) is located and the majority of supervisory activities is conducted) that is not visited at least monthly by the adviser's CCO or other designated supervisory principal of City Center Advisors.)

City Center Advisors understands that the branch office locations present their own unique compliance challenges and has implemented the following additional "branch office" compliance policies and procedures:

- a. Since City Center Advisors' main office is required to maintain books and records for City Center Advisors, copies of all "hard copy" items must be submitted to the main office in a timely manner.

An example of a hard copy item would include, but is not limited to; any client applications or other client paperwork done on paper rather than electronically, etc. (Most hard copy items should be scanned and submitted via e-mail attachment or via file upload whenever possible.)

- b. City Center Advisors will conduct periodic reviews of branch office client files (maintained by City Center Advisors' main office) to verify that they are complete and that portfolio holdings are suitable and appropriate for the client's investment profile information in the file. (This may be done additionally, concurrently, or separately from the client file review done at the adviser's main office.)
- c. Adviser and branch office personnel agree to schedule in-office reviews, both announced and un-announced on a periodic basis (no less often than bi-annually) that will be dictated by the adviser's CCO or designated supervisory personnel and based on the branch office's activity level, business model, or other items. These reviews will be conducted by City Center Advisors' CCO, other designated supervisory personnel, or a third party compliance consulting firm chosen by the adviser.

Our compliance Chain of Command is:

CHIEF COMPLIANCE OFFICER:
MEMBER:

David Joel Hardin II
Kyle McCauley

Every individual of City Center Advisors will have a direct supervisor.

Procedures: Supervision.

City Center Advisors shall perform an annual risk-based testing program in order to verify the adequacy of its policies and procedures. In developing its program, it will take into account:

- a. New business lines or products
- b. Customer complaints
- c. Regulatory concerns
- d. Past audit findings
- e. Investment advisor misconduct or disclosures
- f. Primary nature and volume of business.

The testing program will not only document findings, but also any remediation implemented because of finding.

30. PROXY VOTING POLICY

Without exception, City Center Advisors does not vote proxies on behalf of clients. All proxy materials received on behalf of a client account are to be sent directly to our client or a designated representative of the client, who is responsible for voting the proxy. City Center Advisors personnel may answer client questions regarding proxy-voting matters in an effort to assist the client in determining how to vote the proxy. However, the final decision of how to vote the proxy rests with the client.

31. REPORTING VIOLATIONS (Whistleblower Policy)

City Center Advisors is committed to high standards of ethical, moral and legal business conduct. In line with this commitment, and City Center Advisors' commitment to open communication, this policy aims to provide an avenue for both Associates and City Center Advisors' employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing. This policy is intended to cover protections for you if you raise concerns regarding City Center Advisors, such as:

- a. Incorrect financial reporting;
- b. Unlawful activity;
- c. Activities that are not in line with City Center Advisors' policy, including the Policy on Ethics; or

d. Activities, which otherwise amount to serious improper conduct.

City Center Advisors' Policy on Ethics requires Associates to report instances of misconduct to City Center Advisors. City Center Advisors offers several ways to report misconduct. Associates are encouraged to discuss such issues with their immediate supervisor. If circumstances warrant further action, or if a discussion with a supervisor would not be appropriate under the circumstances, Associates should contact the Compliance Department. Alternatively, more serious violations of securities laws and regulations may also be reported directly to City Center Advisors' primary regulators, via the tip links on the front pages of their web-sites, as follows:

SEC – www.sec.gov (Submit a Tip)

Michigan

- http://www.michigan.gov/lara/0,4601,7-154-61343_35395---,00.html
- Phone: 517-241-7000

Alabama

- <http://asc.alabama.gov/complaints.aspx>
- Phone: 1-800-222-1253 or 1-334-242-2984
- Email: asc@asc.alabama.gov

Arizona

- Arizona Securities Division: Please submit all complaints either online, by mail or e-mail.
 - **ONLINE:** <https://eservice.azcc.gov/securities>
 - **BY EMAIL TO:** securitiesDiv@azcc.gov
 - **BY MAIL to:** Complaints, Securities Division, Arizona Corporation Commission, 1300 W. Washington Street, 3rd Floor, Phoenix, AZ 85007.

The following information is critical to investigate the subject of your complaint:

Names, addresses, telephone numbers, and other identifying information for any person or entity you mention in your complaint.

Details of any transaction or activity you think violates the Arizona Securities or Investment Management Acts. Present the events in the order in which they happened, using dates whenever possible.

Copies of documents, listed above, relating to the transaction that is the subject of your complaint.

Signed declaration as to truth and accuracy of your complaint.

- If assistance is needed, please contact: Arizona Securities Division at 602-542-0662.

California

- <https://dbo.ca.gov/file-a-complaint/>
- Phone: 866-275-2677

Colorado

- <https://securities.colorado.gov/file-a-complaint>
- 303-894-7855 or 800-886-7675

Florida

- <https://www.flofr.com/sitePages/fileacomplaint.htm>
- Telephone: 850-487-9687

Georgia

- <http://sos.ga.gov/cgi-bin/EMailSecurities.asp>
- Phone: 404-656-2881

Hawaii

- <http://cca.hawaii.gov/sec/complaints/>
- Phone: 808-586-2744

Illinois

- <https://www.cyberdriveillinois.com/departments/securities/>
- [Springfield Office: 217-782-2256 or Chicago Office: 312-793-3384](https://www.cyberdriveillinois.com/departments/securities/)

Indiana

- <https://securities.sos.in.gov/general-information/file-a-complaint/>
- [Phone: 800-223-8791](https://securities.sos.in.gov/general-information/file-a-complaint/)

Iowa

- <https://iid.iowa.gov/consumers>
- Phone: 515-281-5705

Kentucky

- http://kfi.ky.gov/newstatic_Info.aspx?static_ID=347
- Phone: 502-782-9055

Louisiana

- <http://www.ofi.state.la.us/Securities%20Complaint%20Front.htm>
- Phone: 877-516-3653

Maryland

- <https://www.marylandattorneygeneral.gov/Securities%20Documents/Scomplt.pdf>
- To file a complaint or to report a potential violation of the law, call 410-576-7050

Massachusetts

- <https://www.sec.state.ma.us/InvestorComplaint/compidx.aspx>
- Phone: 800-392-6090

Missouri

- <https://www.sos.mo.gov/securities/mipc/complaint>
- Phone: 800-721-7996

Nebraska

- <http://www.ndbf.ne.gov/consumers/complaint.shtml>
- Phone: 402-471-3445 or 877-471-3445

New Hampshire

- <https://sos.nh.gov/corporation-ucc-securities/securities-information-for-investors/file-a-complaint/>
- [Phone: 603-271-3242](https://sos.nh.gov/corporation-ucc-securities/securities-information-for-investors/file-a-complaint/)

New Jersey

- Please complete the New Jersey Division of Consumer Affairs on-line Complaint Form (<https://www.njconsumeraffairs.gov/Pages/File-a-Complaint-old.aspx>).
- Phone: 973-504-6200

North Carolina

- https://www.sosnc.gov/divisions/securities/file_a_complaint
- Phone: 800-688-4507

Ohio

- <http://www.com.ohio.gov/secu/>
- Phone: 800-788-1194
- Email: securitiesgeneral.questions@com.state.oh.us

Pennsylvania

- <http://www.dobs.pa.gov/Consumers/Pages/File-a-Complaint.aspx#.Vqzp09JrJhE>
- Phone: 800-722-2657 or 800-600-0007

South Carolina

- <http://www.scag.gov/registering-a-complaint>
- Phone: 803-734-9916

Texas

- <https://www.ssb.texas.gov/securities-professionals/inspections-compliance/filing-complaint>
- Phone: 512-305-8301

Virginia

- <https://www.scc.virginia.gov/srf/cons/complaint.aspx>
- Phone: 804-371-9051
- Email: SRF_General@scc.virginia.gov

Washington

- Online: <http://www.dfi.wa.gov/consumers/file-complaint/investor-complaint/investor-complaint-form>
- Phone: 360 902-8760 or 877-RING DFI (877-746-4334).
- Email: investorcomplaints@dfi.wa.gov

West Virginia

- [Downloads/Investor%20Complaint%20Form.pdf](#)
- Phone: 304-558-2251

Wisconsin

- <https://www.wdfr.org/fi/securities/enforcement/default.htm>
- Phone: 608-266-2139

Anyone reporting misconduct in good faith will be protected against retaliation.

32. SENIOR SAFE, FINANCIAL EXPLOITATION, DIMINISHED CAPACITY

Policy

As a registered investment adviser, City Center Advisors, as a part of its fiduciary duty to its clients and as a matter of best business practices, has adopted these policies regarding senior investors. These policies are designed to offer extra protection to senior investors including annual investment adviser trainings, creating detailed disclosures, annual reviews of senior accounts, and maintaining vigilance over suspected diminished capacity and senior abuse.

Procedure

Financial Exploitation

City Center Advisors is committed to reporting guidelines regarding elder abuse, vulnerable or other “Qualified” adults, and/or Senior Safe provisions. This includes a natural person age 60 and older and an adult of any age who has a mental or physical impairment that renders the individual unable to protect their own interests. All investment advisor representatives, employees, “Access Persons” or other affiliated individuals, collectively referred to as “reporters” shall adhere to the protection and protocols as outlined. This protection standard may include, but is not limited to, training and adherence to the following areas:

a. Possible Signs of Financial Abuse of Older Adults

- i. Frequent large withdrawals
- ii. Debit transactions that are not normal for an older adult
- iii. Uncharacteristic attempts to wire large sums of money
- iv. Closing of accounts without regard to penalties
- v. A caregiver or other individual showing interest in the older adult's finances or assets
- vi. An individual not allowing the older adult to speak for him/herself
- vii. A caregiver not willing to allow the older adult to have a conversation alone
- viii. The older adult shows unusual degree of fear or submissiveness toward a caregiver
- ix. The older adult expresses fear of eviction or nursing home placement if money is not given to the caretaker
- x. The financial institution is unable to speak directly with the older adult, despite repeated attempts to contact the person
- xi. A new family member, caretaker, or friend suddenly begins conducting financial transactions on behalf of the older adult without proper documentation
- xii. The older adult abandons current relationship in exchange for new "friends"
- xiii. A sudden change in the elder's financial management, such as a new power of attorney or a new family member or individual, and
- xiv. The older adult lacks knowledge about their financial status or shows a reluctance to discuss financial matters.

b. Reporting Possible Signs of Financial Abuse of Older Adults

- i. Report any abuse immediately to CCO.
- ii. CCO will investigate and if needed report to the proper authority as follows:

State Specific Information

SEC

SEC registered firm are not mandated to report elder abuse or financial exploitation. However, to voluntarily file a report contact the local authorities where the client resides. Per the 'Senior Safe Act' ([Public Law 115-174 §303](#)) immunity from liability has been granted to certain individuals who, in good faith and with reasonable care, disclose the suspected exploitation of a senior citizen to a regulatory or law-enforcement agency. Specifically, this immunity shall apply to certain credit-union, depository-institution, investment adviser, broker-dealer, transfer-agency, insurance-company, and insurance-agency employees who have received specified training related to identifying and reporting the suspected exploitation of a senior citizen. Similarly, the employing financial institution shall not be liable with respect to disclosures made by such employees.

In addition, depending on the circumstances, the CCO may feel it necessary to file a report in the state where the client resides.

Michigan

The State of Michigan has not yet adopted a financial exploitation statute.

Alabama

In the State of Alabama reporting is mandated per code [AL Code §8-6-170 to 179](#) for broker-dealers, investment advisers and other "qualified individuals". To file a report go to the online form at

<http://asc.alabama.gov/Act 2016-141 Reporting Form.aspx>. Email the completed form to **BOTH** aps@ahr.alabama.gov and adultprotect@asc.alabama.gov or call 1-800-222-1253.

Per AL Code §8-6-170 to 179 (starting on page 16) – Delaying disbursements in Situations of Potential Financial Exploitation, delaying or placing a temporary hold on a disbursement from a vulnerable adult's account in an effort to prevent losses from financial exploitation is an important and very effective tool provided to firms under the Alabama statute.

1. Pursuant to section §8-6-176 firms are required to complete or continue a review or investigation after delaying a disbursement.
2. Ala. Code. §8-6-176 requires firms to immediately, but in no event more than two (2) business days, notify all parties authorized to transact business on the account.
3. In addition, but in no event more than two (2) business days, firms must notify both Department of Human Resources and Alabama Securities Commission by filing the "Report of Adult Suspected to be Financially Exploited" form.
4. Following a disbursement delay, firms should maintain open communications with ASC and DHR to report their internal findings and fully cooperate with any concurrent agency investigation or action.
5. Firms are required to conduct and report any additional findings of its internal investigation within seven (7) business days.

Disbursement delays will expire upon the sooner of the following:

1. A determination by a firm that the disbursement will not result in financial exploitation of the eligible adult.
2. Fifteen (15) business days after the date of the delay unless either ASC or DHR requests that the firm extend the delay. In no instance should the delay extend beyond twenty-five (25) business days unless judicial intervention is sought by the ASC, DHR, the firm or other interested party.

For additional information regarding delay extensions, please reference to the code cited above.

Arizona

Effective August 27, 2019, in the State of Arizona reporting is not mandated per Ariz. Rev. Stat. Ann. § 46-472(A). To voluntarily file a report, contact the Adult Protective Services and the Securities Division of the Corporation Commission. You can call Adult Protective Services at 1-877-767-2385 and the Securities Division of the Corporation Commission at 866-837-4399.

California

Effective January 1, 2020, in the State of California reporting is mandated per Cal. Wel. & Inst. Code §15630.2(b) for a broker-dealer or investment advisor who has direct contact with the adult or who reviews or approves the adult's financial documents, records, or transactions, and who, within the scope of their employment of professional practice, has observed or has knowledge of an incident that is directly related to the transaction that reasonably appears to be financial abuse, or who reasonably suspect that abuse, based solely on the information before them at the time of reviewing or approving the document, record, or transaction, to immediately or as soon as practicably possible report the known or suspected instance of financial abuse to the local adult protective services agency, the local law enforcement agency, and the Department of Business Oversight at 866-275-2677 (the "Agencies"). The report can be made by telephone or through a confidential internet reporting tool. If reported by telephone, a written report shall be sent, or an internet report shall be made through the confidential internet reporting tool, within two working days. The online form is available on <https://www.cdss.ca.gov/Portals/9/FMUForms/Q-T/soc342.pdf?ver=2017-05-03-163352-270>.

The firm is authorized not to honor a power of attorney described in Division 4.5 (commencing with section 4000) of the Probate Code as to an attorney-in-fact, if the firm makes a report to an adult protective services agency or a local law enforcement agency of any state that the principal may be subject to financial abuse, as described in this chapter or as defined in similar laws of another state, by that attorney-in-fact or person acting for or with that attorney-in-fact.

Per Cal. Wel. & Inst. Code §15630.2(j), the firm may place a temporary hold if the firm:

1. Reasonably believes, after initiating an internal review, that a disbursement or transaction may result in financial abuse;
2. Continues its internal review as necessary; and
3. Reports any relevant updates of the internal review to the Agencies.

Written notification with the reason for the hold must be made immediately, but not later than two business days, after the hold, to all parties authorized to transact business on the account, and the Agencies.

The temporary hold may last up to 15 business days provided:

1. The firm's ongoing, internal review supports its initial belief of financial exploitation; and
2. The hold is not terminated before then by the Agencies or court order. If the firm seeks to terminate the hold prior to 15 business days, it must consult with the Agencies and receive no objection.

For additional information regarding delay extensions, please reference to the code cited above.

Colorado

In the State of Colorado reporting is mandated per Colo. Rev. Stat. §11-51-1003(1), for certain licensed securities professionals (qualified individuals), while acting in the scope of their employment, reasonably suspect that an elderly or at-risk person is the subject of financial exploitation. The broker-dealer of investment adviser shall report the suspected financial exploitation to the Commissioner of Securities via the Protection of Vulnerable Adults from Financial Exploitation Reporting Form. The Commissioner of Securities shall forward the report to Adult Protective Services and local law enforcement within one (1) business day.

Per the Colo. Rev. Stat. §11-51-1003(1), a broker-dealer or investment adviser may delay a disbursement from an account of an eligible adult or an account on which an eligible adult is a current beneficiary if:

1. The broker-dealer of investment adviser, reasonably believes, after initiating an internal review of a requested disbursement and the suspected financial exploitation, that the requested disbursement may result in financial exploitation; and
2. The broker-dealer or investment adviser:
 - a. Immediately, but in no event more than two (2) business days after the requested disbursement, provides written notification of the delay and the reason for the delay to all parties authorized to transact business on the account, unless any such party is reasonably believed to have engaged in suspected or attempted financial exploitation of the eligible adult;
 - b. Immediately, but in no event more than two (2) business days after the requested disbursement, notifies the reporting agencies; and
 - c. Continues its internal review of the suspected or attempted financial exploitation of the eligible adult, as necessary, and reports the review's results to the Commissioner within seven (7) business days after the requested disbursement.

Any delay of a disbursement as authorized by this section expires upon the sooner of:

1. A determination by the broker-dealer or investment adviser that the disbursement will not result in financial exploitation of the eligible adult; or
2. Fifteen (15) business days after the date on which the broker-dealer or investment adviser first delayed disbursement of the funds.

For additional information regarding delay extensions, please reference to the statute cited above.

Florida

In the State of Florida reporting is mandated per Fla. Stat. §517.34(1)(b) for broker-dealers and state registered investment advisers. To file a report firms should comply with the requirements listed in this compliance manual under Diminished Capacity. Florida's Financial Exploitation Statute does not provide for a third party disclosure unless a firm places a disbursement or transaction hold (see below).

Per Fla. Stat. §517.34(3), a disbursement or transaction hold is permissive, if the firm, after an internal review, reasonably believes that a disbursement or transaction may result in financial exploitation. A written notification with reason for the hold must be made no later than three business days after the hold to parties authorized to transact business on the account. In addition, the written notification should also be made to any trusted contact on the account and the Florida Office of Financial Regulation ("OFR") on a form prescribed by OFR Rules, which is still in development.

Firms that notify OFR before OFR develops the required form should only include the following information:

1. The date on which the delay was first placed;
2. The gender, age and zip code of the specified adult;
3. The name, title, firm name and business address of the firm that placed the delay;
4. Yes or No answers to the following two questions:
 - a. Is the financial exploitation of a specified adult suspected in connection with a disbursement or transaction?
 - b. Are the funds currently at risk of being lost?
5. A statement in conspicuous type: "The office may take disciplinary action against any person making a knowing and willful misrepresentation on this form."

The temporary hold may last up to 15 business days provided the firm's ongoing, internal review supports its initial belief of financial exploitation and the hold is not terminated by court order. A firm can extend the hold for an additional 10 business days for a total of 25 business days. A firm that extends a delay must notify OFR on a form prescribed by OFR Rules no later than three business days after the date on which the extension was applied. The notice must identify the firm that extended the delay and the date on which the delay was originally made. A court of competent jurisdiction may enter any order extending the delay.

Per Fla. Stat. §517.34(6), a firm or associated person receives immunity from administrative and civil liability when holding a disbursement or transaction in good faith and with reasonable care.

Per Fla. Stat. §517.34(7) (a) and (b), a firm must develop training policies or programs reasonably designed to educate associated persons on issues pertaining to financial exploitation and conduct training of all associated persons at least annually and maintain a written record of all trainings conducted.

Per Fla. Stat. §517.34(7) (c), in addition to the training policies and procedures referenced above, firms must develop, maintain and enforce written procedures regarding the manner in which suspected financial exploitation is reviewed internally, including the manner in which suspected financial exploitation is required to be reported to supervisory personnel.

Georgia

The State of Georgia has not yet adopted a financial exploitation statute.

Hawaii

The State of Hawaii has not yet adopted a financial exploitation statute.

Iowa

The State of Iowa has not yet adopted a financial exploitation statute.

Illinois

The State of Illinois has not yet adopted a financial exploitation statute.

Indiana

In the State of Indiana reporting is mandated per [code IC 23-19-4.1 §5 and 6](#) for individuals associated with a broker-dealer or investment adviser who serves in a supervisory, compliance, or legal capacity as part of the individual's job. To file a report if there is reason to believe that financial exploitation of a financially vulnerable adult has occurred, has been attempted, or is being attempted contact the Indiana Securities Division by phone at 1-317-232-6681, by email at senior protection@sos.gov or via

mail to Noelle Sykes, Chief Deputy Securities Commissioner, Indiana Secretary of State, Securities Division, 302 W. Washington Street, Room E-111, Indianapolis, IN 46204.

A qualified individual at a Broker-Dealer or Investment Adviser may refuse a request for disbursement of funds from an account if the qualified individual has reason to believe that the requested disbursement may result in financial exploitation of a financially vulnerable adult. If a disbursement is temporarily held the qualified individual of the Broker-Dealer or Investment Adviser shall:

1. Make a reasonable effort to notify all parties authorized to transact business on the account orally, or in writing not more than two (2) business days after the qualified individual refuses the request for disbursement. Note that the qualified individual would not be required to notify an individual if there was reason to believe that party has engaged in or was suspected or attempted financial exploitation of the vulnerable adult.
2. Not more than three (3) business days after the refusal contact the Indiana Securities Division by phone at 317-232-6681, by email at seniorprotection@sos.in.gov or via mail to Noelle Sykes, Chief Deputy Securities Commissioner, Indiana Secretary of State, Securities Division, 302 W. Washington Street, Room E-111, Indianapolis, IN 46204.
3. Not more than three (3) business days after the refusal contact Indiana Adult Protective Services by phone at 800-992-6978 or via [an online submission](#).

If an individual qualified as a Broker-Dealer or Investment Adviser refuses a request for disbursement, they must notify the Securities Division by phone, email or mail at the conclusion of the internal investigation.

Unless a court or the commissioner enters an order extending the refusal of disbursement or providing any other applicable protective relief, any delay of a disbursement will expire upon the earlier of the following:

1. A determination by the dealer or investment advisor that the disbursement will not result in financial exploitation of the eligible adult.
2. Fifteen (15) business days after the date of the initial refusal of disbursement by the qualified individual. However, if a broker-dealer's or investment adviser's internal review of the facts and circumstances supports the broker-dealer's or investment adviser's reasonable belief that the financial exploitation of the financially vulnerable adult has occurred, is occurring, has been attempted, or will be attempted, the commissioner shall extend the refusal of disbursement for an additional fifteen (15) business days after the expiration date that would otherwise apply.

For additional information regarding delay extensions, please reference the code cited above.

Kentucky

In the State of Kentucky reporting is not mandated per [Ky. Rev. Stat. Ann §365.245\(1\)\(d\)](#) for broker-dealers and state-registered investment advisers. An oral or written report shall be made to the Cabinet for Health and Family Services and the Kentucky Department of Financial Institutions if the firm reasonably believes that financial exploitation has occurred, is occurring, has been attempted, or will be attempted.

Per the [Ky. Rev. Stat. Ann §365.245\(3\)](#), the firm, after reporting the exploitation and an internal review, reasonably believes that a transaction or a disbursement may result in financial exploitation and makes a report to the Cabinet for health and Family Services and the Kentucky Department of Financial Institutions.

The firm must provide written notification with the reason for the hold no more than two (2) business days after the hold to persons authorized to transact business on the account and persons 18 and older authorized by the specified adult, in writing, to be contacted about the account.

The temporary hold may last up to 15 business days provided:

1. The firm's ongoing, internal review supports its initial belief of financial exploitation; and
2. The hold is not terminated before then by government agencies or court order.

For additional information regarding delay extensions, please reference to the statute cited above.

Louisiana

In the State of Louisiana reporting is not mandated per code La. Rev. Stat. An. §51:725.2 for any salesman, investment advisor representative, or person who serves in a supervisory, compliance, or other legal capacity for a broker-dealer or investment advisor ("Qualified Individual") to report if the Qualified Individual reasonably believes that financial exploitation may have occurred, may have been attempted, or is being attempted. To file a report for a person over the age of 60 with the Office of Elderly Affairs in the office of the Governor go to the online form at <http://www.ofi.state.la.us/SecFinancialExploitationReportingForms.html>.

Per La. Rev. Stat. An. §51:725.4, a firm may delay disbursement from an account if the firm, after an internal review, reasonably believes that a disbursement may result in financial exploitation. The firm must meet one of the following criteria:

1. Immediately, but in no event more than two (2) business days after the requested disbursement, notify all parties authorized to transact business on the account;
2. Immediately, but in no event more than two (2) business days after the requested disbursement, notify the Office of Elderly Affairs in the Office of the Governor (for account holders 60 and older), the Louisiana Department of Health and Hospitals (for account holders younger than 60), and the commissioner of Securities (for all account holders);
3. Continue internal review of the suspected financial exploitation and as necessary, and report the investigation results to the agencies above within seven (7) business days after the requested disbursement.

The temporary hold may last up to 15 business days provided:

1. The firm's ongoing, internal review supports its initial belief of financial exploitation; and
2. The investigation is not terminated before then by government agencies or court order.

For additional information regarding delay extensions, please reference the statute cited above.

Maryland

In the State of Maryland reporting is mandated Md. Code Ann. Corps & Ass'ns § 11-307(b)(1)(I) for the firm or an agent, investment adviser representative, or a person who services in a supervisory, compliance or legal capacity for the firm ("Qualified Individual") to report to the Securities Commissioner of the Division of Securities and the local health department. To file a report, call 1-888-743-0023.

Per Md. Code Ann. Corps. & Ass'ns § 11-307(c) and (d), the notice required shall be given:

1. Within five (5) days after the broker-dealer, investment adviser, or qualified individual develops the reasonable belief that the eligible adult has been, is currently, or will be the subject of financial exploitation or attempted financial exploitation; or
2. Immediately on confirmation that the eligible adult has been, is currently, or will be the subject of financial exploitation or attempted financial exploitation if the confirmation is made before the five-day period specified in item 1 above.

Per Md. Code Ann. Corps. & Ass'ns § 11-307(c) and (d), a broker-dealer or investment advisor may delay a disbursement from an account if the firm, after initiating an internal review, reasonably believes that a disbursement may result in financial exploitation, provides written notification as described below and continues the internal review.

Written notification with the reason for the hold must be made no more than two (2) business days after the requested disbursement to parties authorized to transact business on the account, the Securities Commissioner of the Division of Securities, and the local health department.

The temporary hold may last up to 15 business days after the initial refused disbursement provided:

1. The firm's ongoing, internal review supports its initial belief of financial exploitation; and
2. the hold is not terminated before then by the Securities Commissioner, the local health department, or a court of competent jurisdiction.

For additional information regarding delay extensions, please reference to the statute cited above.

Massachusetts

The State of Massachusetts has not yet adopted a financial exploitation statute.

Missouri

In the State of Missouri reporting is not mandated per Mo. Rev. Stat. § 409.610. To voluntarily file a report call the Department of Public Health and Senior Services at 800-392-0210 or fax the [Mandated Reporter Form](#) to 573-751-4386.

Nebraska

On March 31, 2021 the Nebraska Protection of Vulnerable Adults from Exploitation Act was passed. In the State of Nebraska reporting is not mandated for any broker-dealer, investment adviser, agent, investment advisor representative, or person who serves in a supervisory, compliance, or legal capacity for a broker-dealer or investment adviser ("qualified person"). If the qualified person reasonably believes that financial exploitation of an eligible adult may have occurred, may have been attempted, or is occurring or being attempted, the qualified person may notify the following:

- The Adult Protective Services Division of the Department of Health and Human Services at 800-652-1999; or
- The Department of Banking and Finance at 877-471-3445.

A qualified person is also allowed, but not required, to contact the third parties previously designated by the eligible adult and/or individuals allowed to receive notification under applicable law or customer agreement. Notification may not be made to any designated third party that is suspected of financial exploitation or other abuse of the eligible adult.

Any qualified person that in good faith and exercising reasonable care makes a notification shall be immune from administrative or civil liability that might otherwise arise from such notification or for any failure to notify the eligible adult of the disclosure.

A broker-dealer or investment adviser may delay a transaction or disbursement from an account, if the firm or qualified person:

1. Reasonably believes, after initiating an internal review of the requested transaction or disbursement, that the requested transaction or disbursement may result in financial exploitation; and
2. The broker-dealer or investment advisor:
 - a. Immediately, but in no event more than two business days after the requested transaction or disbursement, provides written notification of the delay and the reason for the delay to all parties authorized to transact business on the account unless any such party is reasonably believed to have engaged in suspected or attempted financial exploitation of the eligible adult;
 - b. Immediately, but in no event more than two business days after the requested transaction or disbursement, notifies The Adult Protective Services Division of the Department of Health and Human Services and The Department of Banking and Finance; and
 - c. Continues its internal review as necessary and reports the internal review's results to The Adult Protective Services Division of the Department of Health and Human Services and The Department of Banking and Finance upon request.

Any delay of transaction or disbursement will expire upon the sooner of:

1. A determination by the broker-dealer or investment adviser that the transaction or disbursement will not result in financial exploitation of the eligible adult; or
2. 15 business days unless either agency requests that the delay be extended.

If the delay is extended, the delay shall expire no more than 30 business days after the date on which the broker-dealer or investment adviser first delayed the transaction or disbursement of the funds unless sooner terminated by either agency or by an order of a court of competent jurisdiction.

New Hampshire

In the State of New Hampshire reporting is not mandated per New Hampshire Rev. Stat. §421-B:5-507-A(2)(A) for an agent, investment advisor representative, or person who serves in a supervisory,

compliance, or legal capacity for a broker-dealer or investment adviser ("Qualified Individual"). The Qualified Individual is permitted to promptly report to the Bureau of Securities Regulation, if there is reason to believe that financial exploitation of a protected person may have occurred, may have been attempted, or is being attempted. To file a report, call the Bureau of Securities Regulation at 603-271-1463 or 800-994-4200.

Per New Hampshire Rev. Stat. §421-B:5-507-A(4), a broker-dealer or investment adviser may place a temporary hold, if the firm or qualified individual:

3. Reasonably believes, after initiating an internal review, that a disbursement may result in financial exploitation;
4. Continues its internal review as necessary; and
5. Reports the results of the internal review to the Bureau of Securities Regulation within seven (7) business days after the day the firm first delayed the disbursement.

Written notification and reason for the hold must be made within two (2) business days after the requested disbursement, to all parties authorized on the account, and the Bureau of Securities Regulation.

The temporary hold may last up to 15 business days unless:

3. The firm determines that the disbursement will not result in financial exploitation; or
4. The investigation is terminated by the Bureau of Securities Regulation or Court.

For additional information regarding delay extensions, please reference to the statute cited above.

New Jersey

Effective April 12, 2020, in the State of New Jersey reporting is mandated per 2019 N.J. ALS 340 (The New Jersey Bureau of Securities SAFE Act) for broker-dealers and state-registered investment advisers. If there is reason to believe that financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted the firm is mandated to promptly report to the New Jersey Bureau of Securities (the 'Bureau') and the applicable county adult services provider. Reports can be filed with the Bureau at 866-446-8378 or via email to

NJSAFEReporting@dca.njoag.gov and include the following information

<https://www.njconsumeraffairs.gov/bos/Documents/SAFE-Information-to-be-Submitted.pdf>.

Contact information for applicable county adult services providers is available at

<https://www.njconsumeraffairs.gov/bos/Documents/NJ-APS-Contact-Information.pdf>.

The Bureau or county adult services provider may disclose to a notifying firm the general status or final disposition of any investigation.

Per New Jersey statute, a broker-dealer or state-registered investment adviser may place a temporary hold, if the firm or qualified individual, after an internal review, reasonably believes that a disbursement or transaction may result in financial exploitation.

Written notification and reason for the hold must be made immediately, but in no event more than two (2) business days after the requested transaction or disbursement to all parties authorized to transact business on the account, the Bureau and the applicable county services provider. Within seven days after the completion of the review of the transaction or disbursement, the firm should, as necessary, provide updates to the bureau and the applicable county services provider.

The temporary hold may last up to 15 business days provided:

1. The firm's ongoing, internal review supports its initial belief of financial exploitation;
2. The firm's investigation is not terminated by the Bureau, the applicable county services provider, or court of competent jurisdiction.

The bureau or county services provider can authorize the firm to extend the hold for an additional 10 business days for a total of 25 business days. A court of competent jurisdiction may also enter an order extending the hold based on the petition of the Bureau, the county services provider, the firm or any other interested party.

North Carolina

In the State of North Carolina reporting is mandated per N.C. Gen Stat §108A-115. Any financial institution, or officer or employee thereof, having reasonable cause to believe that a disabled adult or older adult is the victim or target of financial exploitation shall report such information to the following:

1. Persons on the list (trusted persons/contact list) provided by the customer under G.S. 108A-114, if such a list has been provided by the customer. The financial institution may choose not to contact persons on the provided list if the financial institution suspects that those persons are financially exploiting the disabled adult or older adult.
2. The appropriate local law enforcement agency.
3. The appropriate county department of social services, if the customer is a disabled adult.

The report may be made orally or in writing and shall include the name and address of the disabled adult or older adult, the nature of the suspected financial exploitation, and any other pertinent information.

No financial institution, or officer or employee thereof, who acts in good faith in making a report under this section may be held liable in any action for doing so.

Ohio

Effective September 30, 2021, in the State of Ohio per O.R.C. §1707.49(a)(2) and 1707.49(B)(1) if an employee of a broker-dealer or state-registered investment adviser has reasonable cause to believe that an eligible adult who is an account holder may be subject to past, current, or attempted financial exploitation, then the employee **shall** follow any internal written policy, program, plan, or procedure adopted by the dealer or investment adviser for the purpose of establishing protocols or past, current, or attempted financial exploitation. Per O.R.C. §1707.49(A)(1)(b), an eligible adult is a person 60 years or older or any person who has a physical or mental impairment which prevents the person from providing for the person's own care or protection, and who resides in an independent living arrangement.

Per O.R.C. [§1707.49\(B\)\(2\)](#), a broker-dealer or investment adviser may place a hold on any transaction impacted by the past, current, or attempted financial exploitation for a period of time not to exceed fifteen (15) business days. Per O.R.C. §1707.49(C), a dealer or investment adviser shall report any transactional hold placed, along with a summary of the facts and circumstances leading up to the hold, in writing immediately to the division and county department of job and family services for the county in which the eligible adult resides. Per O.R.C. §1707.49(D), a transactional hold may continue for another fifteen (15) days at the request of an investigating federal or state agency or if the dealer or investment adviser has not heard from either the division or the county department of job and family services within the initial fifteen (15) day hold period. This section does not limit a dealer or investment adviser's ability to seek injunctive relief from a court of competent jurisdiction at any time for any past, current, or attempted financial exploitation.

Any person participating in good faith in making a report or placing a transactional hold is immune from any civil or administrative liability arising from the report or hold per O.R.C. §1707.49(E).

Pennsylvania

The State of Pennsylvania has not yet adopted a financial exploitation statute.

South Carolina

On May 18, 2021 South Carolina enacted legislation to protect elder and vulnerable adults from financial exploitation. In the State of South Carolina, based on S.C. Code Ann. §35-1-810, reporting is permissive for any agent, broker-dealer, investment adviser representative, investment advisor, or person who serves in a supervisory, compliance, or legal capacity for a broker-dealer or investment

adviser ("qualified person"). If the qualified person or firm reasonably believes that financial exploitation of an eligible adult may have occurred, may have been attempted, or being attempted, the qualified person may promptly notify the following ("The Agencies"):

- The Adult Protective Services Program in the Department of Social Services at 888-227-3487 or online at <https://benefitsportal.dss.sc.gov/#/ran/home>; and
- The Securities Division of the Office of the Attorney General at 803-734-9916.

A qualified person is also permitted to contact a third party previously designated by the eligible adult or if such a person has not been designated or cannot be contacted, a reasonably associated individual.

Any qualified person that in good faith and exercising reasonable care makes a report in compliance shall be immune from administrative or civil liability.

A broker-dealer or investment adviser may delay a transaction or disbursement from an account, if the firm, after an internal review reasonably believes that a disbursement or may result in financial exploitation; and

Written notification with the reason for the hold must be made immediately, but in no event more than two business days after the requested transaction or disbursement is delayed to all parties authorized to transact business on the account and to the Agencies upon request.

The temporary hold may last up to 30 business days provided:

1. The firm's ongoing, internal review supports its belief of financial exploitation;
2. The investigation is not terminated by The Agencies or a court of competent jurisdiction.

The Agencies can authorize the firm to extend the hold for an additional 25 business days for a total of 55 business days. The Agencies or a court of competent jurisdiction are also authorized to extend the hold or an indefinite period of time.

A broker-dealer or investment adviser who, in good faith, and exercising reasonable care, acts in compliance shall be immune from any administrative or civil liability that might otherwise arise from such a delay in a transaction or disbursement.

Texas

In the State of Texas reporting is mandated per the Tex. Rev. Civ. Stat. Art. 581-45(C) for broker-dealers, state-registered investment advisors, and SEC-registered investment advisors. It is mandatory for the firm to conduct an internal review and report to the Department of Family and Protective Services and the Securities Commissioner if cause to believe that financial exploitation of a vulnerable adult has occurred, is occurring, or has been attempted. To file a report contact the Securities Commissioner at 512-305-8301 and using the form https://www.ssb.texas.gov/sites/default/files/ReportOfFinancialExploitation_Form_Nov2017.pdf.

Reports must be made by the earlier of:

1. The firm completes its internal review of the financial exploitation; or
2. The fifth (5th) business day after the firm is notified of the suspected financial exploitation or otherwise has cause to believe that the suspected financial exploitation has occurred.

Reports must contain the following:

1. Name, age, and address of the vulnerable adult;
2. Name and address of any person responsible for the care of the vulnerable adult;
3. Nature and extent of the condition of the vulnerable adult;
4. Basis of the reporter's knowledge; and
5. Any other relevant information.

Per Tex. Rev. Civ. Stat. Art. 581-45(G), the firm is mandated to place a hold on any transaction involving an account of the vulnerable adult if the hold is requested by the Securities Commissioner, the department of Family and Protective Services, or law enforcement.

Effective September 1, 2021, a dealer or investment advisor is permitted to place a temporary hold on any transaction that involves a vulnerable adult's account if the firm:

1. reports the suspected financial exploitation to the Securities Commissioner and the Department of Family and Protective Services; and
2. has cause to believe is related to the suspected financial exploitation alleged in the report.

A transactional hold or disbursement delay placed on any transaction may last up to 10 business days after the date the hold is placed, unless the hold is shortened by a court order. For specific instructions regarding the extension of the transactional hold or delay of disbursement, please reference the statute cited above.

Virginia

In the State of Virginia reporting is permissive per VA Code Ann §63.2-1606 for any employee, agent, qualified individual, or representative of an Included Firm ("financial institution staff") to report to local department of social services if financial institution staff suspects that an adult has been abused, neglected or exploited. The report may be made in writing or to the Adult Protective Services hotline at 1-888-832-3858.

Effective July 1, 2019, per VA. Code Ann §63.2-1606(L), it is permissive for financial institution staff to delay a transaction or disbursement, if the financial institution staff:

1. believes in good faith that the transaction or disbursement may involve, facilitate, result in, or contribute to the financial exploitation of an adult; or
2. makes, or has actual knowledge that a report was made to the local department of adult protective services hotline stating a good faith belief that the transaction or disbursement may involve financial exploitation.

Note: Virginia's Financial Exploitation Statute for report and hold is found in the above referenced Adult Protective Services statutes.

Washington

In the State of Washington reporting is not mandated per [Rev. Code Wash §74.34.035](#) and [§74.34.020](#). To voluntarily file a report call the [Department of Social and Health Services in your county or law enforcement if there is reasonable cause to believe a vulnerable adult is being or has been abandoned, abused, financially exploited, or neglected](#).

Reports should include the following:

1. Name and address of the person making the report;
2. Name and address of the vulnerable adult and the name of the facility or agency providing care for the vulnerable adult and name and address of the legal guardian or alternate decision maker;
3. Nature and extent of the abandonment, abuse, financial exploitation, neglect, or self-neglect;
4. History of previous abandonment, abuse, financial exploitation, neglect or self-neglect;
5. Identity of the alleged perpetrator, if known; and
6. Other helpful information.

Per Rev. Code Wash. §74.34.215, a broker-dealer or investment adviser may delay a transaction or disbursement of funds or securities from an account of an eligible adult or an account on which an eligible adult is a current beneficiary if:

1. The firm reasonably believes that financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted; and
2. The firm, the Department of Social and Health Services, or law enforcement undertakes an investigation.
3. If the firm is provided information by the Department of Social and Health Services, law enforcement, or the prosecutor demonstrating that it is reasonable to believe that financial exploitation of a vulnerable adult has occurred.

If a temporary hold or disbursement is placed a firm must:

1. Make reasonable efforts to notify all authorized parties on the account; and
2. Report the incident to Adult Protective Services and local law enforcement.

Length of hold of a transaction or disbursement:

1. If the disbursement **involves the sale or offer to sell a security**, the temporary hold may last up to 10 business days provided the firm reasonably believes financial exploitation will result and the hold is not terminated before then by a court order; or
2. If the disbursement **does not involve the sale or offer to sell a security**, the temporary hold may last up to five (5) business days provided the firm reasonably believes financial exploitation will result and the hold is not terminated before then by a court order.

A court may extend the hold based on a reasonable believe that financial exploitation may have occurred, may have been attempted, or is being attempted.

Per Rev. Code Wash §74.34.220, the firm must provide training for all registered representatives and investment advisor representatives who have contact with customers and access to account information on a regular basis and as part of their job.

1. Training must be provided to new employees within three months of their employment;
2. Training must include;
 - a. Indicators of financial exploitation;
 - b. Manner how employees may report suspected financial exploitation; and
 - c. Steps employees may take to prevent suspected financial exploitation as authorized by law or by customer agreement.

Note: Washington's Financial Exploitation Statute was enacted prior to the adoption of the NASAA Model Act. The financial exploitation provisions were codified as part of the Adult Protective Services statute.

West Virginia

The State of West Virginia has not yet adopted a financial exploitation statute.

Wisconsin

The State of Wisconsin has not yet adopted a financial exploitation statute.

City Center Advisors has appointed David Joel Hardin, II as the designated individual to develop and implement these requirements.

Diminished Capacity

Dementia is defined as a chronic or persistent disorder of the mental processes caused by brain disease or injury and marked by memory disorders, personality changes, and impaired reasoning. Technically it is NOT a disease but a group of symptoms that characterize diseases and conditions. It is commonly defined as a decline in intellectual functioning that is severe enough to interfere with the ability to make informed decisions or perform routine tasks.

As clients reach a certain age, cognitive diseases such as Alzheimer's may begin to impact financial capacity. Financial capacity can be defined as the ability to independently manage one's financial affairs in a manner consistent with personal self-interest. City Center Advisors recognizes its responsibility to work with clients and any necessary family, friends, or medical personnel the client has named in order to move forward if the client's financial capacity has been compromised.

In order to address these circumstances, City Center Advisors has adopted the following policies:

- a. All clients will be advised to create a living will (durable power of attorney) specifically directed at their financial interest should their financial capacity be at all compromised;
- b. All clients shall be asked to provide the name and contact information of at least one family member or other trusted individual, shown in the Trusted Contact Form, to contact in the event City Center Advisors suspects any irregular or suspicious activities that may be related to diminished capacity or possible elder abuse issues;

- c. If any suspicion of diminished capacity is detected by City Center Advisors, the CCO will be contacted immediately and full documentation of the meeting or other interaction with the client that prompted the suspicion be maintained.
- d. After discovery or suspicion of possible dementia or other suspicious activities, City Center Advisors shall not meet with client alone and will thoroughly document all client communication;
- e. In the event the capacity of the client has deteriorated beyond the point of effective and ethical investment advice and an alternate POA or trustee has not been appointed, the firm shall terminate the investment advisory relationship and report the circumstances to individual.

Elder financial abuse spans a broad spectrum of conduct including but not limited to, the taking of money or property; forging an older person's signature; getting an older person to sign over financial ownership via deeds, or giving power of attorney through deception, coercion, or undue influence; using and older person's property or possessions without permission; promising various care in exchange for money or property and not following through; or perpetrating scams or other fraudulent or deceptive acts. While a financial adviser may not be aware of many of these situations in most cases, they will become aware of these situations when the assets they are advising become the targets of these acts. Unfortunately, many of these situations occur along with the onset of a debilitating disease or client dementia. As a fiduciary to their client, all advisers should research the options in their communities concerning the reporting of these situations to the proper authorities. Most jurisdictions have the option of using a Department of Social Services (or other similar department) anonymous "tip lines" to report possible elder abuse issues.

State Specific Information

SEC

SEC registered firms are not mandated to report elder abuse or financial exploitation. However, to voluntarily file a report contact the local authorities where the client resides. Per the 'Senior Safe Act' ([Public Law 115-174 §303](#)) immunity from liability has been granted to certain individuals who, in good faith and with reasonable care, disclose the suspected exploitation of a senior citizen to a regulatory or law-enforcement agency. Specifically, this immunity shall apply to certain credit-union, depository-institution, investment adviser, broker-dealer, transfer-agency, insurance-company, and insurance-agency employees who have received specified training related to identifying and reporting the suspected exploitation of a senior citizen. Similarly, the employing financial institution shall not be liable with respect to disclosures made by such employees.

In addition, depending on the circumstances, the CCO may feel it necessary to file a report in the state where the client resides.

Michigan

In the State of Michigan reporting is not mandated for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers per [Mich. Comp. Laws §400.11a\(3\)](#). To file a report, contact the Michigan Department of Health and Human Services (MDHHS) – Centralized Intake for Abuse and Neglect at 1-855-444-3911.

Reports shall contain:

- i. The name of the adult and a description of the abuse, neglect, or exploitation;
- ii. If possible, adult's age and the names and addresses of the adult's guardian or next of kin, and of the persons with whom the adult resides, including their relationship to the adult; and
- iii. Other information available to the reporting person that may establish the cause of the abuse, neglect, or exploitation and the manner in which the abuse, neglect, or exploitation occurred or is occurring.

Alabama

Please reference the statute cited above under Financial Exploitation.

Arizona

In the State of Arizona reporting is mandated per [AZ. Stat. §46-454\(B\)](#) broker-dealers, state-registered investment advisors, and SEC-registered investment advisors to immediately report to a protective services worker at 1-877-767-2385, a peace officer, or to the public fiduciary for the county in which the vulnerable adult resides, if there is a reasonable basis to believe that exploitation of the adult's property has occurred or that abuse or neglect of the adult has occurred per AZ. Stat §46-454(B). An in person or phone report is required to be followed by a written report that is mailed or delivered within 48 hours. If the 48 hours expires on a weekend or holiday the report should be made on the next working day. To meet this requirement, you can complete the form online at www.azdes.gov/reportadultabuse.

Reports shall contain:

- i. The names and addresses of the adult and any persons having control or custody of the adult, if known.
- ii. The adult's age and the nature and extent of the adult's vulnerability.
- iii. The nature and extent of the adult's injuries, physical neglect or exploitation.
- iv. Any other helpful information to establish cause of the adult's injuries, physical neglect or exploitation.

California

Please reference the statute cited above under Financial Exploitation.

Colorado

Please reference the statute cited above under Financial Exploitation. The reporting obligations of broker-dealers and state-registered investment advisors are found in the financial exploitation statute.

Florida

In the State of Florida reporting is mandated per [Fl. Stat. §415.1034\(8\)\(a\)-\(b\)](#) for broker-dealers, state-registered investment advisors, and SEC-registered investment advisors. To immediately file a report to the central abuse hotline if one has reasonable cause to suspect that a vulnerable adult has been or is being abused, neglected, or exploited. Reports can be filled by calling the Florida Department of Children and Families at 1-800-962-2873, fax form (<https://myflfamilies.com/service-programs/abuse-hotline/docs/faxreport.pdf>) to 1-800-914-0004, or submit a report online at <https://reportabuse.dcf.state.fl.us/Adult/AdultForm.aspx>.

Reports shall contain:

- i. The name, age, race, sex, physical description, and location of each victim alleged to have been abused, neglected, or exploited;
- ii. Names, addresses, and telephone numbers of the victim's family members;
- iii. The name, address, and telephone number of each alleged perpetrator;
- iv. The name, address, and telephone number of the caregiver of the victim, if different from the alleged perpetrator;
- v. The name, address and telephone number of the person reporting the alleged abuse, neglect, or exploitation;
- vi. Description of the physical or psychological injuries sustained;
- vii. Actions taken by the reporter, if any, such as notification of the criminal justice agency; and
- viii. Any other information available to the reporting person which may establish the cause of abuse, neglect, or exploitation that occurred or is occurring.

Georgia

In the State of Georgia reporting is mandated per [Ga. Code §30-5-4\(a\)\(1\)\(B\)](#), [\(b\)\(1\)\(A\)](#) and per Ga. Code §30-5-3(11) includes broker-dealers, state-registered investment advisors, and SEC-registered investment advisors. Reports should be made to the Division of Aging Services at 866-552-4464 or

complete the online form at <https://fw1.harmonyis.net/GADASLiveIntake/>. Reports should also be made to an appropriate law enforcement agency or the prosecuting attorney, if the firm has a reasonable basis for suspecting exploitation of a vulnerable adult.

Reports shall contain:

- i. The name, and address of the disabled adult or elder person and should include the name and address of the disabled adult's or elder person's caretaker;
- ii. The age of the disabled adult or elder person;
- iii. The nature and extent of the disabled adult's or elder person's injury or condition resulting from abuse, exploitation, or neglect; and
- iv. Other pertinent information.

A firm that makes a report can make a request to the department to know if the report has been received, whether an investigation has been opened, and whether the investigation remains open or has closed. The department must respond within 5 business days. If the firm requires additional information, it must get a court order per Ga. Code §30-5-7(a), (c).

Hawaii

In the State of Hawaii reporting is not mandated per [H.R.S §346-224\(d\) for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers](#). To file a report call the Department of Human Services at 808-832-5115 or complete the online form (<http://humanservices.hawaii.gov/ssd/files/2015/04/DHS-1640-Rev.-3-15-Form-Fill.pdf>). Reports should be made if one has reason to believe that a vulnerable adult has incurred abuse or is in danger of abuse if immediate action is not taken.

Illinois

In the State of Illinois reporting is not mandated for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers per 320 Ill. Comp. Stat. §20/4(a). To file a report, call the Department on Aging of the State of Illinois at 1-866-800-1409. A report should be filed if one suspects abuse, neglect, financial exploitation, or self-neglect of a vulnerable adult.

Indiana

In the State of Indiana reporting is mandated for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers per Ind. Code Ann. §12-10-3-9(a). A report should be filed immediately to Adult Protective Services or a law enforcement agency or the Division of Aging, if the individual has reason to believe that a vulnerable adult is harmed or threatened with harm as a result of exploitation of the vulnerable adult's property. Reports can be made via an online form at www.ddrsprovider.fssa.in.gov/APSONlineReporting. Reports to the Division of Aging must be made by phone to 888-673-0002.

Reports shall contain:

- i. Name, age, and address of the vulnerable adult;
- ii. Names and addresses of family members or other persons financially responsible for the vulnerable adult's care or other individuals who may be able to provide relevant information;
- iii. Apparent nature and extent of the alleged neglect, battery, or exploitation and the vulnerable adult's physical and mental condition;
- iv. Name, address, and telephone number of the reporter and the basis of the reporter's knowledge;
- v. Name and address of the alleged offender; and
- vi. Any other relevant information.

Iowa

In the State of Iowa reporting is not mandated for broker-dealers, state-registered investment advisers, and SEC registered investment adviser per Iowa Code §235B.3(5). A report should be filed with the Iowa Department Human Services at 1-800-362-2178.

Kentucky

In the State of Kentucky reporting is mandated for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers per K.R.S. §209.030(2). The report should be made immediately to the Cabinet for Health and Family Services if there is reasonable cause to believe that an adult has suffered abuse, neglect or exploitation. Reports can be made orally to 877-597-2331 or submit an online report at <https://prdweb.chfs.ky.gov/ReportAbuse>.

Reports shall contain the following information, if known:

- i. The name and address of the adult, or of any other person responsible for adult's care;
- ii. The age of the adult;
- iii. The nature and extent of the alleged abuse, neglect, or exploitation, including any evidence of previous abuse, neglect, or exploitation;
- iv. The identity of the perpetrator;
- v. The identity of the complainant; and
- vi. Any other helpful information to establish the cause of abuse, neglect, or exploitation.

Louisiana

In the State of Louisiana reporting is mandated for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers per code La. R.S. §15-1504(A). A report should be made if there is cause to believe that a vulnerable adult's physical or mental welfare has been or may be adversely affected by abuse, neglect, or exploitation. To file a report for a person over the age of 60 to the Office of Elderly Affairs in the Office of the Governor at 833-577-6532 or to any local state or law enforcement agency. To file a report for a person between 18-59 years of age, reports shall be made to the Louisiana Department of Health and Hospitals at 800-898-4910 or to any local or state law enforcement agency.

Reports shall contain the following information, if known:

- i. The name and address of the adult;
- ii. The name and address of the person responsible for the adult, if available; and
- iii. Any other pertinent information. Report does not need to include the name of the suspect.

Maryland

Please reference the statute cited above under Financial Exploitation. The reporting obligations of broker-dealers and state-registered investment advisers are found in the financial exploitation statute.

Massachusetts

In the State of Massachusetts reporting is not mandated per Mass. Gen. Laws 19A §15(c) for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers. To file a report if there is reasonable cause to believe that an elderly adult is suffering from or has died as a result of abuse, contact the Department of Elder Affairs via phone at 800-922-2275. A written report can be submitted at <https://fw1.harmonyis.net/MAAPSLiveIntake/>.

Missouri

In the State of Missouri reporting is mandated per Mo. Rev. Stat. § 192.2405(1)(1) for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers. If there is reasonable cause to suspect that an eligible adult presents a likelihood of suffering serious physical harm or bullying and is in need of protective services, a report should be made **immediately** to the Department of Health and Senior Services. Filing a report is permissive to the Department of Health and Human Services if a person becomes aware of circumstances that may reasonably be expected to be the result of, or result in, abuse or neglect of an eligible adult. Reports can be made orally to 800-392-0210 or via the online reporting form at <https://apps4.mo.gov/APS Portal/>.

Nebraska

In the State of Nebraska reporting is not mandated per R.R.S. Neb. §28-372(1) for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers. If there is reasonable

cause to believe there was exploitation or if a person observes a vulnerable adult being subjected to conditions or circumstances which reasonably would result in abuse, neglect, or exploitation, a report should be made to the Department of Health and Human Services at 800-652-1999. When making an oral report, caller should provide his or her name and address. If requested by the Department of Health and Human Services, the oral report shall be followed by a written report within 48 hours.

Reports must contain the following information, if known:

- i. The name, address, and age of the vulnerable adult;
- ii. The address of the caregiver or caregivers of the vulnerable adult;
- iii. The nature and extent of the alleged abuse, neglect, or exploitation or conditions and circumstances which would reasonably be expected to result in such abuse, neglect, or exploitation;
- iv. Evidence of previous abuse, neglect, or exploitation, including the nature and extent of the abuse, neglect, or exploitation; and
- v. Any other helpful information to establish the cause of the alleged abuse, neglect, or exploitation and the identity of the perpetrator.

New Hampshire

In the State of New Hampshire reporting is mandated per New Hampshire Rev. Stat. §161-F:46 for broker-dealers, state-registered investment advisers and SEC-registered investment advisers. If a person suspects or believes in good faith that a vulnerable adult has been subject to abuse, neglect, self-neglect, exploitation or is living in hazardous conditions, a report should **immediately** be made to Health and Human Services at 800-949-0470.

An oral report, by telephone or otherwise, shall be made immediately. If requested, the oral report shall be followed by a written report. If the oral report is made when the Health and Human Services is closed, reports shall be made to the police department of the appropriate political subdivision or to the sheriff of the county, in which the alleged abuse, neglect or exploitation occurred.

New Jersey

In the State of New Jersey reporting is not mandated per N.J. Stat. §52:27D-409(a)(2) for broker-dealers, state-registered investment advisers, and SEC-registered investment advisers. If there is reason to believe that a vulnerable adult is subject to abuse, neglect, or exploitation, a report should be made to the County Adult Protective Services Provider. To locate the appropriate provider please go to <https://www.state.nj.us/humanservices/doas/home/adultpsp.html>.

Reports must contain the following information, if possible:

- i. The name and address of the vulnerable adult and the name and address of the caretaker, if any;
- ii. The nature and possible extent of the vulnerable adult's injury or condition as a result of abuse, neglect, or exploitation; and
- iii. Any other helpful information.

North Carolina

In the State of North Carolina reporting is mandated per N.C. Gen Stat §108A-102. Any broker-dealers, state-registered investment advisers, and SEC registered investment advisers, having reasonable cause to believe that a disabled adult or older adult is in need of protective services should make an oral or written report to [Adult Protective Services](#) at 1-800-662-7030. Reports must include:

1. Name and address of the vulnerable adult;
2. Name of address of the disabled adult's caretaker;
3. Age of the disabled adult;
4. Nature and extent of the disabled adult's injury or condition resulting from abuse or neglect;
5. Other pertinent information.

Ohio

In the State of Ohio reporting is mandated per code O.R.C. §5101.63(A)(2)(dd) and §1707.01(2)(X)(1) for mandated persons including broker-dealers, state-registered investment advisers and SEC registered investment advisers. To immediately file a report, contact the County Department of Job and Family Services at 855-644-6277.. Oral reports shall be followed by a written report if a written report is requested by the department. Written reports shall include:

1. The name, address, and approximate age of the vulnerable adult who is the subject of the report;
2. The name and address of the individual responsible for the adult's care, if any individual is, and if the individual is known;
3. The nature and extent of the alleged abuse, neglect, or exploitation of the adult;
4. The basis of the reporter's belief that the adult has been abused, neglected, or exploited.

Per O.R.C. §5101.63(A)(2), an eligible adult is a person 60 years or older who is handicapped by the infirmities of aging or a physical or mental impairment that prevents them from providing for their own care and resides in an independent living arrangement.

Any person with reasonable cause to believe that an adult is suffering abuse, neglect, or exploitation who makes a report pursuant to this section shall be immune from civil or criminal liability per O.R.C. §5101.63(D).

For additional information and training materials, please contact the Ohio Department of Job and Family Services (ODJFS) at 855-644-6277.

Pennsylvania

In the State of Pennsylvania reporting is not mandated per 6 P.A. Code §15.21 for broker-dealers, state-registered investment advisers, or SEC-registered investment advisers. If any person has reasonable cause to believe an adult is in need of protective services. To file a report, call Pennsylvania Adult Protective Services at 1-800-490-8505. Reports may be made orally or in writing.

South Carolina

In the State of South Carolina reporting is mandated per S.C. Code §43-35-25(A) for any person who has actual knowledge that a vulnerable adult has been abused, neglected, or exploited. Reporting is permissive per S.C. Code §43-35-25(B) for any person who has reason to believe a vulnerable adult has been or may be abused, neglected, or exploited. To file a report, contact the [Department of Social Services](#). Incident reports are required to be submitted orally or in writing within twenty-four (24) hours or the next working day.

A person who, acting in good faith, makes a report or who participates in an investigation or judicial proceeding resulting from a report is immune from civil and criminal liability.

Texas

In the State of Texas reporting is mandated per the Texas Hum. Res. Code §48.051 for any person to immediately report to the Department of Family and Protective Services if the person has cause to believe that a vulnerable adult is subject to abuse, neglect, or exploitation (see statute for additional criteria). Reports may be made orally or in writing. An online [form](#) is available.

It is mandatory for reports to contain the following:

1. Name, age, and address of the vulnerable adult;
2. Name and address of any person responsible for the care of the vulnerable adult;
3. Nature and extent of the condition of the vulnerable adult;
4. Basis of the reporter's knowledge; and
5. Any other relevant information.

Virginia

In the State of Virginia reporting is permissive per VA Code Ann §63.2-1606 for any employee, agent, qualified individual, or representative of an Included Firm (“financial institution staff”) to report to local department of social services if financial institution staff suspects that an adult has been abused, neglected or exploited. The report may be made in writing or to the Adult Protective Services hotline at 1-888-832-3858.

Effective July 1, 2019, per VA. Code Ann §63.2-1606(L), it is permissive for financial institution staff to delay a transaction or disbursement, if the financial institution staff:

1. believes in good faith that the transaction or disbursement may involve, facilitate, result in, or contribute to the financial exploitation of an adult; or
2. makes, or has actual knowledge that a report was made to the local department of adult protective services hotline stating a good faith belief that the transaction or disbursement may involve financial exploitation.

Washington

In the State of Washington reporting is not mandated per Rev. Code Wash §74.34.035 and §74.34.020. To voluntarily file a report call the [Department of Social and Health Services in your county or law enforcement if there is reasonable cause to believe a vulnerable adult is being or has been abandoned, abused, financially exploited, or neglected.](#)

Reports should include the following:

- i. Name and address of the person making the report;
- ii. Name and address of the vulnerable adult and the name of the facility or agency providing care for the vulnerable adult and name and address of the legal guardian or alternate decision maker;
- iii. Nature and extent of the abandonment, abuse, financial exploitation, neglect, or self-neglect;
- iv. History of previous abandonment, abuse, financial exploitation, neglect or self-neglect;
- v. Identity of the alleged perpetrator, if known; and
- vi. Other helpful information.

Per Rev. Code Wash. §74.34.215, a broker-dealer or investment adviser may delay a transaction or disbursement of funds or securities from an account of an eligible adult or an account on which an eligible adult is a current beneficiary if:

- i. The firm reasonably believes that financial exploitation of a vulnerable adult may have occurred, may have been attempted, or is being attempted; and
- ii. The firm, the Department of Social and Health Services, or law enforcement undertakes an investigation.
- iii. If the firm is provided information by the Department of Social and Health Services, law enforcement, or the prosecutor demonstrating that it is reasonable to believe that financial exploitation of a vulnerable adult has occurred.

If a temporary hold or disbursement is placed a firm must:

- i. Make reasonable efforts to notify all authorized parties on the account; and
- ii. Report the incident to Adult Protective Services and local law enforcement.

Length of hold of a transaction or disbursement:

- i. If the disbursement **involves the sale or offer to sell a security**, the temporary hold may last up to 10 business days provided the firm reasonably believes financial exploitation will result and the hold is not terminated before then by a court order; or
- ii. If the disbursement **does not involve the sale or offer to sell a security**, the temporary hold may last up to five (5) business days provided the firm reasonably believes financial exploitation will result and the hold is not terminated before then by a court order.

A court may extend the hold based on a reasonable believe that financial exploitation may have occurred, may have been attempted, or is being attempted.

Per Rev. Code Wash §74.34.220, the firm must provide training for all registered representatives and investment advisor representatives who have contact with customers and access to account information on a regular basis and as part of their job.

1. Training must be provided to new employees within three months of their employment;
2. Training must include;
 - a. Indicators of financial exploitation;
 - b. Manner how employees may report suspected financial exploitation; and
 - c. Steps employees may take to prevent suspected financial exploitation as authorized by law or by customer agreement.

West Virginia

In the State of West Virginia reporting is not mandated per West Virginia Code §9-6-9(b) [and](#) West Virginia Code §61-2-29B [for any](#) broker-dealers, state-registered investment advisers, and SEC-registered investment advisers. Voluntary reports of suspected cases of financial exploitation should be made to state or federal law-enforcement authorities, the county prosecuting attorney and to the Department of Health and Human Resources, [Adult Protective Services](#) Division or Medicaid Fraud Division, as appropriate. Per West Virginia Code §9-6-11(a), reports should be made immediately by telephone to Adult Protective Services at 1-800-352-6513 and follow-up with a written report within 48 hours. A copy of any report should be immediately filed with the Department of Health and Human Resources, the appropriate law-enforcement agency and the prosecuting attorney, if necessary; or in case of a death, to the appropriate medical examiner or coroner's office.

Wisconsin

In the State of Wisconsin reporting not mandated per Wis. Stat. Ann §46.90 for any broker-dealers, state-registered investment advisers, and SEC-registered investment advisers. Voluntary reports of suspected cases of abuse, financial exploitation, neglect, or self-neglect of a vulnerable adult are to be filed as a report by contacting the Elder Abuse Agency or local law enforcement. Reports shall include the facts and circumstances of the situation.

24. POLITICAL CONTRIBUTIONS

SEC Rule 206(4)-5 outlines the requirements to prevent registered investment advisers from making or soliciting political contributions to influence government officials' awards of advisory contracts ("pay-to-play" practices.) The purpose of the rule is to ensure that the high standards and integrity of the municipal industry are maintained, to prevent fraudulent and manipulative acts and practices. The application of this rule is broad and goes beyond straightforward campaign contributions. Some states, many municipalities and public pension funds have adopted pay-to-play rules and each such adviser should check with that governmental entity involved before allowing any political contributions.

Effective September 13, 2012, Rule 206(4)-5 is as follows:

a. Prohibitions. As a means reasonably designed to prevent fraudulent, deceptive or manipulative acts, practices, or courses of business within the meaning of section 206(4) of the Act ([15 U.S.C. 80b-6\(4\)](#)), it shall be unlawful:

- (1) For any investment adviser registered (or required to be registered) with the Commission, or unregistered in reliance on the exemption available under section 203(b)(3) of the Advisers Act ([15 U.S.C. 80b-3\(b\)\(3\)](#)), or that is an exempt reporting adviser, as defined in section 275.204-4(a), to provide investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser (including a person who becomes a covered associate within two years after the contribution is made); and
- (2) For any investment adviser registered (or required to be registered) with the Commission, or unregistered in reliance on the exemption available under section 203(b)(3) of the Advisers Act

([15 U.S.C. 80b-3\(b\)\(3\)](#)), or that is an exempt reporting adviser, or any of the investment adviser's covered associates:

- (i) To provide or agree to provide, directly or indirectly, payment to any person to solicit a government entity for investment advisory services on behalf of such investment adviser unless such person is:
 - (A) A regulated person; or
 - (B) An [executive officer](#), general partner, managing member (or, in each case, a person with a similar status or function), or [employee](#) of the investment adviser; and
- (ii) To coordinate, or to solicit any person or political action committee to make, any:
 - (A) Contribution to an official of a government entity to which the investment adviser is providing or seeking to provide investment advisory services; or
 - (B) Payment to a political party of a State or locality where the investment adviser is providing or seeking to provide investment advisory services to a government entity.

(b) Exceptions -

- (1) ***De minimis exception.*** [Paragraph \(a\)\(1\)](#) of this section does not apply to contributions made by a covered associate, if a natural person, to officials for whom the covered associate was entitled to vote at the time of the contributions and which in the aggregate do not exceed \$350 to any one official, per election, or to officials for whom the covered associate was not entitled to vote at the time of the contributions and which in the aggregate do not exceed \$150 to any one official, per election.
- (2) ***Exception for certain new covered associates.*** The prohibitions of [paragraph \(a\)\(1\)](#) of this section shall not apply to an investment adviser as a result of a contribution made by a natural person more than six months prior to becoming a covered associate of the investment adviser unless such person, after becoming a covered associate, solicits clients on behalf of the investment adviser.
- (3) ***Exception for certain returned contributions.***
 - (i) An investment adviser that is prohibited from providing investment advisory services for compensation pursuant to [paragraph \(a\)\(1\)](#) of this section as a result of a contribution made by a covered associate of the investment adviser is excepted from such prohibition, subject to paragraphs (b)(3)(ii) and (b)(3)(iii) of this section, upon satisfaction of the following requirements:
 - (A) The investment adviser must have discovered the contribution which resulted in the prohibition within four months of the date of such contribution;
 - (B) Such contribution must not have exceeded \$350; and
 - (C) The contributor must obtain a return of the contribution within 60 calendar days of the date of discovery of such contribution by the investment adviser.
 - (ii) In any calendar year, an investment adviser that has reported on its annual updating amendment to Form ADV ([17 CFR 279.1](#)) that it has more than 50 [employees](#) is entitled to no more than three exceptions pursuant to [paragraph \(b\)\(3\)\(i\)](#) of this section, and an investment adviser that has reported on its annual updating amendment to Form ADV that it has 50 or fewer [employees](#) is entitled to no more than two exceptions pursuant to [paragraph \(b\)\(3\)\(i\)](#) of this section.
 - (iii) An investment adviser may not rely on the exception provided in [paragraph \(b\)\(3\)\(i\)](#) of this section more than once with respect to contributions by the same covered associate of the investment adviser regardless of the time period.

(c) Prohibitions as applied to covered investment pools. For purposes of this section, an investment adviser to a covered investment pool in which a government entity invests or is solicited to invest shall be treated as though that investment adviser were providing or seeking to provide investment advisory services directly to the government entity.

(d) Further prohibition. As a means reasonably designed to prevent fraudulent, deceptive or manipulative acts, practices, or courses of business within the meaning of section 206(4) of Advisers Act ([15 U.S.C. 80b-6\(4\)](#)), it shall be unlawful for any investment adviser registered (or required to be registered) with the Commission, or unregistered in reliance on the exemption available under section 203(b)(3) of the Advisers Act ([15 U.S.C. 80b-3\(b\)\(3\)](#)), or that is an exempt reporting adviser, or any of the investment adviser's covered associates to do anything indirectly which, if done directly, would result in a violation of this section.

(e) Exemptions. The Commission, upon application, may conditionally or unconditionally exempt an investment adviser from the prohibition under [paragraph \(a\)\(1\)](#) of this section. In determining whether to grant an exemption, the Commission will consider, among other factors:

- (1)** Whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act ([15 U.S.C. 80b](#));
- (2)** Whether the investment adviser:
 - (i)** Before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of this section; and
 - (ii)** Prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and
 - (iii)** After learning of the contribution:
 - (A)** Has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and
 - (B)** Has taken such other remedial or preventive measures as may be appropriate under the circumstances;
- (3)** Whether, at the time of the contribution, the contributor was a covered associate or otherwise an [employee](#) of the investment adviser, or was seeking such employment;
- (4)** The timing and [amount](#) of the contribution which resulted in the prohibition;
- (5)** The nature of the election (*e.g.*, Federal, State or local); and
- (6)** The contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

(f) Definitions. For purposes of this section:

- (1) Contribution** means any gift, subscription, loan, advance, or deposit of money or anything of value made for:
 - (i)** The purpose of influencing any election for Federal, State or local office;
 - (ii)** Payment of debt incurred in connection with any such election; or
 - (iii)** Transition or inaugural expenses of the successful candidate for State or local office.
- (2) Covered associate** of an investment adviser means:

- (i) Any general partner, managing member or [executive officer](#), or other individual with a similar status or function;
- (ii) Any [employee](#) who solicits a government entity for the investment adviser and any person who supervises, directly or indirectly, such [employee](#); and
- (iii) Any political action committee controlled by the investment adviser or by any person described in paragraphs (f)(2)(i) and (f)(2)(ii) of this section.

(3) Covered investment pool means:

- (i) An investment company registered under the [Investment Company Act of 1940](#) ([15 U.S.C. 80a](#)) that is an investment option of a [plan](#) or program of a government entity; or
- (ii) Any company that would be an investment company under section 3(a) of the [Investment Company Act of 1940](#) ([15 U.S.C. 80a-3\(a\)](#)), but for the exclusion provided from that definition by either section 3(c)(1), section 3(c)(7) or section 3(c)(11) of that Act ([15 U.S.C. 80a-3\(c\)\(1\)](#), (c)(7) or (c)(11)).

(4) Executive officer of an investment adviser means:

- (i) The president;
- (ii) Any vice president in charge of a principal business unit, division or function (such as sales, administration or finance);
- (iii) Any other officer of the investment adviser who performs a policy-making function; or
- (iv) Any other person who performs similar policy-making functions for the investment adviser.

(5) Government entity means any State or political subdivision of a State, including:

- (i) Any agency, authority, or instrumentality of the State or political subdivision;
- (ii) A pool of assets sponsored or established by the State or political subdivision or any agency, authority or instrumentality thereof, including, but not limited to a “defined benefit plan” as defined in section 414(j) of the [Internal Revenue Code](#) ([26 U.S.C. 414\(j\)](#)), or a State general fund;
- (iii) A [plan](#) or program of a government entity; and
- (iv) Officers, agents, or [employees](#) of the State or political subdivision or any agency, authority or instrumentality thereof, acting in their official capacity.

(6) Official means any person (including any election committee for the person) who was, at the time of the contribution, an incumbent, candidate or successful candidate for elective office of a government entity, if the office:

- (i) Is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser by a government entity; or
- (ii) Has authority to appoint any person who is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser by a government entity.

(7) Payment means any gift, subscription, loan, advance, or deposit of money or anything of value.

(8) Plan or program of a government entity means any participant-directed investment program or [plan](#) sponsored or established by a State or political subdivision or any agency, authority or instrumentality thereof, including, but not limited to, a “qualified tuition plan” authorized by section 529 of the [Internal Revenue Code](#) ([26 U.S.C. 529](#)), a

retirement [plan](#) authorized by section 403(b) or 457 of the [Internal Revenue Code](#) ([26 U.S.C. 403\(b\)](#) or [457](#)), or any similar program or [plan](#).

(9) *Regulated person* means:

- (i)** An investment adviser registered with the Commission that has not, and whose covered associates have not, within two years of soliciting a government entity:
 - (A)** Made a contribution to an official of that government entity, other than as described in [paragraph \(b\)\(1\)](#) of this section; and
 - (B)** Coordinated or solicited any person or political action committee to make any contribution or payment described in paragraphs (a)(2)(ii)(A) and (B) of this section;
- (ii)** A “broker,” as defined in section 3(a)(4) of the [Securities Exchange Act of 1934](#) ([15 U.S.C. 78c\(a\)\(4\)](#)) or a “dealer,” as defined in section 3(a)(5) of that Act ([15 U.S.C. 78c\(a\)\(5\)](#)), that is registered with the Commission, and is a member of a national securities association registered under 15A of that Act ([15 U.S.C. 78o-3](#)), provided that:
 - (A)** The rules of the association prohibit members from engaging in [distribution](#) or solicitation activities if certain political contributions have been made; and
 - (B)** The Commission, by order, finds that such rules impose substantially equivalent or more stringent restrictions on broker-dealers than this section imposes on investment advisers and that such rules are consistent with the objectives of this section; and
- (iii)** A “municipal advisor” registered with the Commission under section 15B of the [Exchange Act](#) and subject to rules of the Municipal Securities Rulemaking Board, provided that:
 - (A)** Such rules prohibit municipal advisors from engaging in [distribution](#) or solicitation activities if certain political contributions have been made; and
 - (B)** The Commission, by order, finds that such rules impose substantially equivalent or more stringent restrictions on municipal advisors than this section imposes on investment advisers and that such rules are consistent with the objectives of this section.

(10) *Solicit* means:

- (i)** With respect to investment advisory services, to communicate, directly or indirectly, for the purpose of obtaining or retaining a client for, or referring a client to, an investment adviser; and
- (ii)** With respect to a contribution or payment, to communicate, directly or indirectly, for the purpose of obtaining or arranging a contribution or payment.

Covered associates are required to complete a Political Contribution Form and submit it for prior approval before contributing to any candidate or official of a government entity.

EXHIBIT A INITIAL AND ANNUAL PORTFOLIO HOLDINGS REPORT

CITY CENTER ADVISORS, LLC

Employee Name: _____

I am reporting below all personal portfolio holdings information required to be reported pursuant to City Center Advisors' Personal Trading Policy. Securities reported must be current within 45 days of the date of this report.

Required Portfolio Holdings to Report

I am required to report holdings of all securities held in accounts in which I have a direct or indirect beneficial ownership interest as described in City Center Advisors – Personal Trading Policy.

Transactions not Required to be Reported

I am not required to report holdings in the following securities: registered open-end investment companies not managed by City Center Advisors, securities issued by the United States Government, bankers' acceptances, bank certificates of deposit, commercial paper, money market mutual funds and other money market instruments.

PORTFOLIO HOLDINGS INFORMATION

Check one or more applicable boxes:

- ☐ I have no reportable personal securities holdings.
- ☐ I have reportable personal securities holdings, as disclosed below.
- ☐ I have reportable securities holdings, as disclosed on the attached brokerage statements.
- ☐ City Center Advisors is in receipt of brokerage statements reflecting my personal securities holdings.

Account Number	Security Name and Ticker/CUSIP	Number of Shares/Par	Principal Amount	Broker or Bank Name

Employee Signature: _____ Date: _____

Reviewed by: _____ Title: _____ Date: _____

Attach additional sheets as necessary.

EXHIBIT B QUARTERLY PERSONAL TRANSACTION REPORT
FOR THE QUARTER-ENDED _____

CITY CENTER ADVISORS, LLC

Employee Name: _____

I am reporting below all transactions required to be reported for the quarter pursuant to City Center Advisors' Personal Trading Policy. I have completed and returned this report by the 30th calendar day following quarter-end.

Required Transactions to Report

I am required to report all transactions of securities in which I have a direct or indirect beneficial ownership interest. Securities include stocks, bonds, closed-end mutual funds and exchange-traded funds. I am also required to report any transaction executed within an automatic investment plan that overrides a pre-determined schedule.

Transactions Not Required to be Reported

I am not required to report shares of registered open-end investment companies not managed by City Center Advisors, securities issued by the United States Government, bankers' acceptances, bank certificates of deposit, commercial paper, money market mutual funds and other money market instruments and transactions effected through an automatic investment plan as described in City Center Advisors' Personal Trading Policy.

TRANSACTION REPORTING

Check one or more applicable boxes:

- ☐ I had no reportable transactions during the period.
☐ I had reportable transactions, as disclosed below.
☐ I had reportable transactions, as disclosed on the attached brokerage statements.
☐ City Center Advisors is in receipt of brokerage statements reflecting my reportable personal securities transactions.

REPORTABLE TRANSACTIONS

Trade Date	Security Name and Ticker/CUSIP	Number of Shares/Par Int. Rate/Maturity	Purchase Sale Other	Price	Principal Amount	Broker Name	Account Number

Employee Signature: _____ Date: _____

Reviewed by: _____ Title: _____ Date: _____

Attach additional sheets as necessary.

EXHIBIT C RECORD KEEPING CHECKLIST

Record	Responsible Party	Location	Retrieval Mechanism	Date Last Reviewed
FINANCIAL RECORDS				
Cash Receipts and Disbursements				
General Ledgers and Trial Balance				
Checks, Bank Statements, Reconciliations				
Quarterly Fee Billing				
Balance Sheet				
Payables/Receivables				
CLIENT/ACCOUNT RECORDS				
New Account Form				
ACAT (if applicable)				
Advisory Agreements				
Client Statements				
Questionnaire(s)				
Order Memoranda				
List of clients by state				
List of Discretionary Clients				
Powers of Attorney				
Holdings by Client				
Holdings by Security				
FORM ADV				
Current Form ADV Part 1/ADV Part 2				
Past Form ADV Part 1/ADV Part 2				
ADMINISTRATIVE RECORDS				
State/Sec Correspondence				
Current Advisory Agreement				
Past Advisory Agreement				
List of Access Persons				
Organizational Chart				
Trade Error Report				
U4/U5 Filings				
Corporate Documents				
Complaint File				
Correspondence File				
Advertising File				
COMPLIANCE RECORDS				
Current Compliance Manual				
Past Compliance Manual				
Compliance Manual initial/annual signoff				
- Code of Ethics				
- Business Continuity Plan				
- Privacy Notice				
Personal Holdings Report Initial/Annual				
Quarterly Personal Transaction Report				

EXHIBIT D ACKNOWLEDGEMENT OF RECEIPT

REGISTERED INVESTMENT ADVISOR POLICIES AND PROCEDURES MANUAL

I acknowledge that I have received a copy of City Center Advisors, LLC ("City Center Advisors") Policies and Procedures Manual. This agreement includes City Center Advisors' Compliance Manual, Code of Ethics, Privacy Policy, Insider Trading Policy, Personal Securities Records, and the Business Continuity and Disaster Plan.

I understand that all City Center Advisors and City Center Advisors' client information is confidential and may not be distributed in any way nor discussed with anyone who is not an employee of City Center Advisors.

I have read and understand the contents of this Agreement and will act in accordance with these policies and procedures as a condition of my employment with City Center Advisors.

Employee Signature

Date

Employee Name (Please Print)

Title

EXHIBIT E ADVERTISING APPROVAL FORM

CITY CENTER ADVISORS, LLC

IAR Advertisement Approval Form

Please attach material and submit to: joel@citycenterfinancial.com

Advisor Name: _____ Phone#: _____ Fax #: _____

Name of Material: _____

Date of first use: _____

Number of pages: _____

Please check all that apply:

- | | | |
|--|---|--|
| <input type="checkbox"/> Form Letter (many Recipients) | <input type="checkbox"/> Form Mailer | <input type="checkbox"/> Letterhead/Business Cards |
| <input type="checkbox"/> Market Commentary | <input type="checkbox"/> Third-Party Material | <input type="checkbox"/> General Communication |
| <input type="checkbox"/> Advertisement | <input type="checkbox"/> Article | <input type="checkbox"/> Blast Email |
| <input type="checkbox"/> Brochure/Flyer | <input type="checkbox"/> Newsletter | <input type="checkbox"/> Seminar ¹ |
| <input type="checkbox"/> TV commercial (script) | <input type="checkbox"/> Website | <input type="checkbox"/> Other _____ |

¹ Must include all slides, scripts, invitations, handouts and dates of seminar.

A copy of each notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication that the investment advisor circulates or distributes, directly or indirectly, to more than 1 person is required to be reviewed by compliance; kept and maintained by the advisor.

Advisor's Signature

Date

For City Center Advisors Use Only
Advertising Principal Comments / Revisions

Reference #:	Principal Name:	Principal Signature:	
<input type="checkbox"/> Approved as is Approval Date: _____	<input type="checkbox"/> Approved w/ revisions Date Returned: _____	<input type="checkbox"/> Not approved Declined Date: _____	
Revisions requested:			
Date Revisions Received from Advisor: _____		Final Approval Date: _____	

* Items must be returned to compliance within 30 days or items will be marked unapproved and file will be closed.

Approved as is – advisor may use as is with no changes.

Approved w/revisions– advisor must make the suggested changes before utilizing. Does not need to be reviewed again by compliance. **Returned for revisions** –advisor must make revisions and return to compliance for second review.

Not approved –advisor may not use any version.

EXHIBIT F OUTSIDE ACTIVITY APPROVAL FORM

Advisor's Name: _____ Date: _____

1. Name of Business: _____ **Start Date:** _____

Type: ☐ Corporation ☐ Partnership ☐ Sole Proprietorship ☐ LLC ☐ Other: _____

Address _____

Phone Number: _____ Website Address: _____

2. Nature of Business:

☐ **Insurance** - describe below (required)

☐ Equity Indexed Annuities

☐ Life Insurance

☐ Property & Casualty

☐ Life Settlements

☐ Fixed Annuities

☐ Long Term Care

☐ Viatical Settlements

☐ Other (explain): _____

☐ **Real Estate** - describe below (required)

☐ Real Estate Sales

☐ Other (explain): _____

☐ Commercial Property

☐ **Mortgage Related Services**

☐ Initial Mortgages & Refinancing

☐ Other (explain): _____

☐ Reverse Mortgages

☐ **Tax Services/Accounting**

☐ Business Manager

☐ Other (explain): _____

☐ Bookkeeping

☐ **Professional Services/Consultant**

☐ Attorney

☐ Notary

☐ Pension -Related Services

☐ Other (explain): _____

☐ **Corporate/Non-Profit** - check all that apply

☐ Board of Directors: ☐ Profit ☐ NonProfit ☐ Charity-NonProfit Organizations

☐ Other (explain): _____

☐ **Business Owner/Retail Sales**

Describe: _____

☐ **Unaffiliated (Independent) Registered Investment Adviser (RIA)**

☐ State Registered

☐ SEC Registered

☐ **Other** - Describe below or attach separate sheet

3. Position/Title/Relationship: _____

4. Description of Duties: _____

5. # Hours Spent on this Activity/Month: _____

Hours Spent on this Activity during Trading Hours (if different): _____

6. Did you raise capital or assist in raising capital to fund this business or any other business?

☐ Yes ☐ No

7. How are you compensated by this business?

☐ Salary ☐ Commission ☐ Hourly/Flat Fee ☐ Profits ☐ Other (explain) _____

8. Are you subject to any formal or informal agreement or arrangement requiring you to turn over or share your securities commissions to this business?

☐ Yes ☐ No

9. Are any of the business' employees, co-owners, or partners registered representatives of a broker-dealer?

☐ Yes ☐ No

If yes, list their names here: _____

IAR SIGNATURE:

By signing below I authorize City Center Advisors, LLC to investigate my outside business activities and contact any entities or individuals affiliated with such outside business activities. Furthermore, I authorize these entities or individuals to release to you any information that you request about my employment, affiliation and/or activities with this organization.

I further understand that City Center Advisors reserves the right to object to, or place conditions on, outside business activities that may constitute, in the judgment of City Center Advisors, a potential conflict of interest to my association with City Center Advisors.

I acknowledge that I have read and understand the prohibitions and limitations listed in the Compliance Manual regarding OBAs, and understand that there may be other activities not listed that will also be prohibited.

The foregoing is true and correct.

X _____ IAR Signature

Date _____

X _____ Chief Compliance Officer

Date _____

EXHIBIT G IAR MONTHLY ACTIVITY REPORT

[illegible]

EXHIBIT H TRADE ERROR FORM

Today's Date	
Client's Name	
Client's Account Number	
IAR's Name	
Date of Transaction	
Amount of Transaction	
Product/Security	
Description of Error	<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
Date of Correction	
Amount of Loss Incurred	
Who is responsible for expense of loss?	
Client Notified Date	
Signature of IAR	
Date	
Signature of Supervisor	
Date	

EXHIBIT I GIFT LEDGER

[illegible]

EXHIBIT J CUSTOMER COMPLAINT LOG

Date Rec'd	Client Name	Description of Complaint	Date of Response	Resolution	CCO Approval

EXHIBIT K DEPARTMENT OF LABOR RETROSPECTIVE REVIEW REPORT

Pursuant to the DOL's Retrospective Review requirement as outlined in City Center Advisors's Compliance Manual, this report is being completed to evidence the review of randomly sampled Rollover Comparison Guides and Worksheets. The sample includes various Rollover Comparison Guides and Worksheets based on, but not limited to, the size/value of the rollover, the registration and account type, and whether or not the rollover was executed. **Please note:** The sample size should adequately represent a broad spectrum of the rollovers you completed. You may attach more pages as necessary.

This report is for fiscal year _____

Client's Name		
Client's Account Number		
Sending & Receiving Account Type	Sending:	Receiving:
IAR Facilitating Rollover		
Date of Rollover		
Value of Rollover		
Was a Rollover Comparison Guide and Worksheet Completed?		
Deficiencies Found?		
How Were Deficiencies Resolved?		

Client's Name		
Client's Account Number		
Sending & Receiving Account Type	Sending:	Receiving:
IAR Facilitating Rollover		
Date of Rollover		
Value of Rollover		
Was a Rollover Comparison Guide and Worksheet Completed?		
Deficiencies Found?		
How Were Deficiencies Resolved?		

Client's Name		
Client's Account Number		
Sending & Receiving Account Type	Sending:	Receiving:
IAR Facilitating Rollover		
Date of Rollover		
Value of Rollover		
Was a Rollover Comparison Guide and Worksheet Completed?		
Deficiencies Found?		
How Were Deficiencies Resolved?		

By signing below, the Senior Executive Officer of City Center Advisors is:

- Certifying receipt and their review of this report.
- Certifying that City Center Advisors has in place policies and procedures (e.g. Rollover Comparison Worksheet) that are prudently designed to adhere to the provisions of the exemption including but not limited to the Impartial Conduct Standards.
- Certifying that City Center Advisors has in place a process that is prudently designed to modify such policies and procedures as business, regulatory, or legislative conditions dictate.
- Certifying that City Center Advisors has tested the effectiveness of the policies and procedures.

Senior Executive Officer Signature: _____ Date: _____

EXHIBIT L POLITICAL CONTRIBUTION FORM

Name of Person Requesting Approval: _____

Date: _____

Please check all that apply:

- ☐ Investment Adviser Representative (IAR)
☐ Direct Owner and/or Executive Officer
☐ Access Person

SEC Rule 206(4)-5 outlines the requirements to prevent registered investment advisers from making or soliciting political contributions to influence government officials' awards of advisory contracts ("pay-to-play" practices.) The purpose of the rule is to ensure that the high standards and integrity of the municipal industry are maintained, to prevent fraudulent and manipulative acts and practices.

City Center Advisors does not encourage its supervised persons to contribute to political campaigns and does not officially endorse any elected officials or candidates. However, supervised persons *are* permitted to contribute to an elected official(s) or candidate(s) of their own choosing. Prior to making a political contribution to an elected official or candidate, all supervised persons must obtain City Center Advisors's approval by submitting this form to the Chief Compliance Officer.

A contribution is defined as "any gift, subscription, loan, advance, deposit of money, or anything of value made for the purpose of influencing an election for a federal, state or local office, including any payments for debts incurred in such an election." **Supervised persons of City Center Advisors may not make political contributions without first obtaining prior approval.**

Please provide the details for the proposed transaction requiring pre-approval.

Name of group or individual to whom contribution will be made: _____

Purpose of Contribution: _____

Value of Contribution (if dollar amount unknown, please provide estimate): \$ _____

A covered associate, if a natural person, is allowed to contribute up to \$350 per election to an official for whom the covered associate is entitled to vote for at the time of the contribution or \$150 per election to any one official for whom the covered associate is NOT entitled to vote for.

Have you provided other contributions to the other party within the previous 12 months?

☐ Yes ☐ No

Are you entitled to vote for the official to whom the contribution is being made?

☐ Yes ☐ No

Approval/Rejection:

- ☐ The contribution is **approved**.
☐ The contribution is **rejected**. **Comments/Instructions:**

Authorized Signature:

Chief Compliance Officer

Date of Response