



# MADISON AVENUE SECURITIES

This Brochure provides information about the qualifications and business practices of Madison Avenue Securities, LLC. If you have any questions about the contents of this Brochure, please contact us at 888-627-7323 or by e-mail at [info@mas-bd.com](mailto:info@mas-bd.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Madison Avenue Securities, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Madison Avenue Securities, LLC is a registered investment adviser. Registration as an Investment Adviser does not imply any specific level of skill or training.

Madison Avenue Securities, LLC  
Registered Investment Adviser  
Member FINRA, SIPC

13500 Evening Creek Dr. N  
Suite 555  
San Diego, CA 92128

T: (888) 627-7323  
F: (858) 207-1789  
[www.MAS-BD.com](http://www.MAS-BD.com)

## Item 2 - Material Changes

This version of our Brochure contains the following material change to the previous version:

Our Standard Wrap Program includes a “low balance” fee for accounts that have total assets under a specified threshold at the end of any calendar quarter. Effective April 1, 2023 the threshold for assessment of the low balance fee has been lowered from \$45,000 to \$25,000. In addition to the lower threshold for assessment of the low balance fee, we have also reduced the low balance fee from \$45 per quarter to \$25 per quarter. More information about our Standard Wrap Program and its fee structure can be found in items 4 and 5 of this brochure.

Our Brochure may be requested by contacting Villy Fixsen, Chief Operating Officer at 858-207-1300 or [vfixsen@mas-bd.com](mailto:vfixsen@mas-bd.com). Our Brochure is also available on our web site [www.mas-bd.com](http://www.mas-bd.com), free of charge.

Additional information about Madison Avenue Securities, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Madison Avenue Securities, LLC who are registered, or are required to be registered, as investment adviser representatives of Madison Avenue Securities, LLC.

## Item 3 - Table of Contents

Item 1 – CoverPage.....	Cover Page
Item 2 - Material Changes.....	i
Item 3 - Table of Contents .....	ii
Item 4 - Advisory Business .....	1
Item 5 - Fees and Compensation .....	8
Item 6 - Performance-Based Fees and Side-By-Side Management .....	22
Item 7 – Types of Clients.....	22
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	22
Item 9 – Disciplinary Information .....	23
Item 10 – Other Financial Industry Activities and Affiliations .....	24
Item 11 – Code of Ethics .....	24
Item 12 – Brokerage Practices .....	25
Item 13 – Review of Accounts.....	28
Item 14 – Client Referrals and Other Compensation.....	28
Item 15 – Custody .....	29
Item 16 – Investment Discretion .....	29
Item 17 – Voting Client Securities.....	30
Item 18 – Financial Information.....	30

## Item 4 - Advisory Business

Madison Avenue Securities, LLC ("MAS" or "Adviser") is a member broker-dealer of the Financial Industry Regulatory Authority ("FINRA") as well as a registered investment adviser. The information in this brochure pertains to the registered investment advisory activities of MAS. MAS has been registered as an investment adviser since December of 2005. MAS is owned by KT Equity Partners II, LLC ("KT Equity"), a holding company with no involvement in MAS. Metcalfe, Inc. ("Metcalfe"), a family owned holding company with no involvement in MAS, also has ownership interests in MAS.

Through the various programs detailed later in this Brochure, MAS manages approximately \$1.6 Billion, as of December 31, 2022. Of the total assets under management, approximately \$ 931 Million is managed on a discretionary basis and approximately \$ 690 Million is managed on a non-discretionary basis.

For advisory services offered by MAS, Investment Adviser Representatives ("IARs") conduct initial meetings with potential advisory clients. During this meeting, the client and IAR discuss the client's financial situation, personal goals and objectives, risk tolerance, and investment style. It is essential that the client provide accurate, candid and complete information to the IAR. The failure to provide such complete information may affect the services being provided. It is the client's obligation to promptly inform the IAR of material changes in the client's financial circumstances or investment objectives to enable the IAR to evaluate whether to change the way the client's account is managed. The IAR may provide advice on an intermittent or periodic basis, such as in response to a client request or notification of a material change in the client's financial situation, in response to a market event, or on a specific date. At such time, the IAR will discuss the account with the client and make recommendations as appropriate. If such recommendations are accepted by the client, the IAR is responsible for arranging or effecting the purchase or sale.

There is no guarantee that the advisory services offered will result in the client's goals and objectives being met. Nor is there any guarantee of profit or protection from loss. The fees and expenses in connection with these advisory services may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that any particular advisory services, investment strategy or fee arrangement will provide better returns than other investment strategies.

MAS may provide advisory services to you through several different types of programs. You may select to participate in any one program alone, or in any combination of two or more of the programs. Our programs are:

1. Fee Plus Transaction Charge Program
2. Standard Wrap Program
3. AE Wealth Management Program
4. Low-Minimum Wrap Program (no longer accepting new accounts, as of June 30,2020)

5. Direct Third Party Manager Programs
6. Financial Planning and Consulting Services Program
7. Pension Consulting and College Savings Services Program

Madison retains a clearing and custodial partner on behalf of our clients. For this purpose, we utilize the services provided by Pershing, LLC (“Pershing”, or “clearing firm”) for the custody of certain brokerage and advisory accounts. The advisory accounts opened under the Fee Plus Transaction Charge Program, the Standard Wrap Program, and the Low-Minimum Wrap Program are custodied by Pershing. Madison and Pershing are unaffiliated entities. Reference to Pershing within this document is only applicable to the extent that clients open and maintain an applicable program account, as contained in this document.

Our various programs are described below:

### **Fee Plus Transaction Charge Program**

This program enables your individual IAR to manage your assets for a fee. The fee will vary, depending on account size. In addition to this management fee, accounts in this program will also be assessed transaction charges for purchases and sales of securities. These fees and charges are described in the next section, titled “Fees and Compensation” and are subject to negotiation depending upon a number of factors, including size of the account. This program is designed to offer suitable participants asset allocation and brokerage services, consolidated reporting, and periodic recommendations pursuant to investment objectives chosen by the client on a discretionary or non-discretionary basis. IARs must secure your permission prior to effecting transactions in your advisory accounts under this program if managed on a non-discretionary basis. The minimum investment required in the MAS Fee Plus Transaction Charge Program is \$50,000. MAS may choose to waive these minimums for certain clients. If for any reason the Account value falls below our required minimum, we have the right to terminate the Account. The clearing firm will deliver securities held in the Account as instructed by client unless client requests that the Account be liquidated. Client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination. Such fees will be prorated and credited only to the Account from which such fees were debited.

The assets of the Program account will include stocks, bonds, mutual funds, options (equity and index), and other securities. The use of margin will not be permitted in this Program. Annuities with no sales charges can be transferred into this Program.

### **Standard Wrap Program**

This program enables your individual IAR to manage your assets for a fee. The fee will vary, depending on account size and may be greater than the asset based fees in our other Programs. When participating in this Program, clients pay a Wrap Fee which is generally a fee that includes advisory fees for account management and transactional costs for trades. The Adviser will retain a portion of this Wrap Fee for services provided. Transactions in the Program are usually executed without sales

commissions or markups. Since the cost of participating in the program may be more or less than the cost of participating in similar programs or the cost of paying for Program services separately, clients should consider among other things, the amount of the Program fee, the administrative costs, as well as the types and quality of the services to be provided. Any fees paid or costs absorbed will have an effect on account returns. The fees and charges for this program are described in the next section, titled “Fees and Compensation” and are subject to negotiation depending upon a number of factors, including size of the account. This program is designed to offer suitable participants asset allocation and brokerage services, consolidated reporting, and periodic recommendations pursuant to investment objectives chosen by the client on a discretionary or non-discretionary basis. IARs must secure your permission prior to effecting transactions in your advisory accounts under this program unless you grant discretionary trading authority. The minimum investment required to open an account in the MAS Standard Wrap Program is \$15,000. MAS may choose to waive these minimums for certain clients. If for any reason the Account value falls below \$10,000, we have the right to terminate the Account. The clearing firm will deliver securities held in the Account as instructed by client unless client requests that the Account be liquidated. Client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination. Such fees will be prorated and credited only to the Account from which such fees were debited.

The assets of the Program account will include stocks, bonds, mutual funds, and other securities. The use of margin will not be permitted in this Program. Annuities with no sales charges can be transferred into this Program.

### **AE Wealth Management Program**

To make this Program available, MAS has hired the services of a “sub-adviser,” AE Wealth Management, LLC. In this program, assets are held in custody with either TD Ameritrade or Fidelity Institutional. This program allows for assets to be managed by MAS and its IARs on a discretionary basis. In this program, specific investment decisions within your account may be made by either your individual IAR, or by MAS. Most commonly, your IAR will assist you with selecting from the list of strategies available within the AEWPM Program. When participating in this Program, clients may choose to pay a Wrap Fee, sometimes known as “asset based pricing” which is generally a fee that includes advisory, brokerage and custodial services. Alternatively, clients may choose “transaction based” pricing where there are costs associated with certain transactions, in addition to the advisory fee. Your individual IAR will work with you to determine the most appropriate pricing methodology for your individual situation. In all cases, MAS and your IAR will retain a portion of the fees for services provided. Transactions under asset based pricing are usually executed without sales commissions or markups. Since the cost of participating in the Wrap program may be more or less than the cost of participating in similar programs, clients should consider the cost of paying for transactions (as in “transaction based” pricing) or the cost of paying Program services separately. Clients should also consider, among other things, the amount of the Program fee, the administrative costs, as well as the types and quality of the services to be provided. Any fees paid or costs absorbed will have an effect on account returns.

The minimum initial investment required to establish an account through the AE Wealth Management Program is \$10,000. Exceptions to this minimum may be made if approved by your IAR and by MAS. Fees are billed monthly, in arrears based on average daily account balance. The total advisory fee for these accounts will not exceed 2.5% per year. Additional details regarding the fees in this program will be addressed in the following section, “Fees and Compensation.”

The AE Wealth Management Program permits you to terminate accounts at any time, in which case fees will be assessed based on the number of days in the current billing period that accounts were managed through the termination date.

The assets of the Program account will include stocks, bonds, mutual funds, ETFs, and other securities.

### **Low-Minimum Wrap Program**

MAS has a legacy program, called the Low-Minimum Wrap Program, which is not promoted. MAS is no longer accepting new accounts into this program, as of June 30, 2020. The minimum investment required in the MAS Low-Minimum Wrap Program is \$25,000.00. MAS may choose to waive this minimum for certain clients. While MAS has other advisory programs that have a lower minimum asset requirement (for example, the Standard Wrap Fee Program has a minimum investment of \$15,000.00), this is the only MAS program where there are no “low balance fees” assessed to the client if the asset value is above the minimum standard but is below a certain threshold. If the asset value of the account falls below the minimum standard for any MAS advisory program, the account may be terminated at the sole discretion of MAS.

The Low-Minimum Wrap Program is designed to offer suitable participants asset allocation and brokerage services, consolidated reporting, and periodic recommendations pursuant to investment objectives chosen by the client. The assets of the Low-Minimum Wrap Program account will include stocks, bonds, mutual funds, and other securities. Annuities with no sales charges can be transferred into this Program. However, the use of margin will not be permitted in this Program. The clearing firm will deliver securities held in the Account as instructed by client.

The Low-Minimum Wrap Program is managed by MAS and its IAR on either a discretionary or non-discretionary basis, depending on the desire of the client. If managed on a discretionary basis, the client must provide specific authorization to enable the IAR to effectuate transactions on the client’s behalf without the client’s approval. If managed on a non-discretionary basis, MAS and its IARs must secure the client’s permission prior to effecting any transactions in the Low-Minimum Wrap Program.

When participating in this Program, clients pay a “Wrap Fee”, which is generally a fee that includes advisory fees for account management and transactional costs for trades and other services, including platform fees. The “wrap fee” paid by the client is then allocated among MAS, MAS’s IARs and MAS’s clearing firm for execution and other services. While the allocation of the “wrap fee” does not generally affect the clients (who is just paying the wrap fee), the allocation of the wrap fee’s certain transactional costs, like the platform fee, is lower in the Low-Minimum Wrap Fee Program than in other programs. This

results in a higher overall allocation to the IARs. However, that higher allocation to the IAR is offset by certain transaction fees and surcharges associated with trading activity (transactions in the Low-Minimum Wrap Program are usually executed without sales commissions or markups, but there is still a cost associated with transactions, which would be used to offset the higher allocation to the IAR). Since the higher allocation of the wrap fee to the IAR is offset by transaction fees and surcharges, the more transactions executed by the IAR means there are more offsets to the IAR's allocation, thereby reducing the allocation provided to the IAR (and, thus, a reduction in revenue for the IAR due to transaction costs). This may create an incentive for the IAR to place less trades in order to reduce the offset and capture more of the allocation. This incentive may create a conflict of interest for the IAR. However, IARs are aware of their fiduciary obligation to put their client's best interest ahead of their compensation. Moreover, MAS has internal controls in place, which monitor its IARs' executions that they perform on behalf of their clients. IARs are required to provide justification if there is a low level of trading activity for specific accounts. Finally, MAS and its IARs are required to provide on-going review of their clients' accounts and will, during their on-going review with the clients, explain whether the amount of trading conducted during the recent past is appropriate for the account based upon the client's investment objective and whether the account should stay in the Low-Minimum Wrap Program or move to another program, such as the Standard Wrap Program with its low balance fee.

Since the cost of participating in the Low-Minimum Wrap Program may be more or less than the cost of participating in similar programs or the cost of paying for Program services separately, clients should consider among other things, the amount of the Program fee, the administrative costs, as well as the types and quality of the services to be provided. Any fees paid or costs absorbed will have an effect on account returns. The fees and charges for this program are described in the next section, titled "Fees and Compensation" and are subject to negotiation depending upon a number of factors, including size of the account.

Clients are always able to request that the Account be liquidated. In the event of the liquidation of an account, the Client will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination. Such fees will be prorated and credited only to the Account from which such fees were debited.

### **Direct Third Party Manager Programs**

MAS has established direct "selling agreements" with a variety of third party money managers. In this program, MAS refers its clients to select, independent, third party money managers, with which MAS holds a selling agreement. Neither MAS nor IARs of MAS are directly responsible for making specific investment decisions within the portfolios of these third party money managers. Rather, IARs of MAS will work with you to help you select a third party manager. These third party managers will then be responsible for making the specific investment decisions within your account. These accounts are typically managed on a "discretionary basis" by the third party money manager. This means that each investment decision made within the program will be made by the third party manager on your behalf, and without your consent. Each third party money manager will have its own brochure outlining the



experience and any expertise of that manager, the services provided within their program, the fees charged for those services, and any other important information that should be read and understood prior to investing. The account minimums for these programs are established by the third party money managers, and will also be disclosed in their individual brochures. These third party money managers may invest in a variety of asset types including mutual funds, exchange traded funds ("ETFs"), individual stocks and bonds, variable annuities, and cash. The specific asset types that these managers are permitted to invest in will be detailed in their individual brochures.

The IAR may determine that one or more third party managers is suitable for you and will assist you in selecting a particular third party program or service. The IAR receives compensation pursuant to MAS' agreements with the third party money managers for introducing clients to them and for certain ongoing services provided to you including but not limited to; financial planning, consulting services, active management and reporting services. This compensation, which is disclosed to you in each third party money manager's brochure, is equal to a percentage of the investment advisory fee charged by that investment manager or possibly a fixed fee. Because MAS and the IAR receive compensation from these third party money managers for referring clients and because such compensation may differ depending on the individual agreement with each manager, MAS and/or IAR may have an incentive to recommend one of those managers over: 1) other investment managers with more favorable compensation arrangements; 2) MAS' other advisory programs; 3) programs offered through a separate RIA (if applicable); or 4) alternative advisory programs. Certain programs may charge a "wrap fee". Selection of a "wrap fee" program may result in the payment of fees by clients in excess of the combined total of separate advisory fees and brokerage commissions paid by transaction. To invest in one of these programs, you will need to sign an advisory agreement directly with the third party sponsor/adviser of the program selected. The advisory relationship may be terminated by you, MAS, or the sponsor/adviser in accordance with the provisions of these agreements. If terminated, you will receive a refund of any pre-paid advisory fees, pursuant to the terms of the individual 3<sup>rd</sup> party's brochure.

### **Financial Planning and Consulting Services Program**

MAS, through certain IARs, provides financial planning and consulting services. Within this program, clients pay a fee for financial services to MAS. These fees can be in the form of a flat fee, hourly fee, or based on account size. Regardless of the type of plan desired, these services will be provided to clients in accordance with the terms of an Investment Advisory Client Services Agreement – Financial Planning/Consultation. The details of the actual services rendered and the fees charged to a specific client in connection with such services will be set forth in that client's agreement. The services provided can generally be categorized as one or a combination of the services set forth below. All services and fees are negotiable. Not all IARs provide financial planning and consulting services.

Clients who receive financial planning and consulting services may purchase securities or insurance products offered through MAS pursuant to the plan or consultation. IARs that are also registered representatives of MAS receive commissions as registered broker-dealer representatives or insurance

agents in connection with such transactions. Thus, the IAR may have a conflict of interest when providing financial planning services because they may receive additional compensation if the client chooses to execute transactions through them in their capacity as broker-dealer representatives or insurance agents as a result of such services. Clients have the right to reject recommendations made by an IAR or otherwise through MAS or its affiliates. Clients also have the right to implement the recommendations through another adviser, who may charge more or less for the same products and services.

The categories of financial planning/consulting services typically include the following:

Hourly Financial Consulting: Clients may retain MAS to provide financial consulting services for an hourly fee. The fees for such services are detailed in the next section of this Brochure, titled “Fees and Compensation.”

Fixed Fee Services: Client may retain MAS to provide a one-time financial plan, a portfolio analysis, and/or an investment policy statement for a fixed fee. If you purchase a financial plan, portfolio analysis, and/or an investment policy statement, the plan will be delivered promptly, or in no more than 90 days. The fees for such services are detailed in the next section of this Brochure, titled “Fees and Compensation.”

Annual Financial Plan: Clients may retain MAS to provide a financial plan, similar to the one-time financial plan described above under Fixed Fee Services, plus updates to the plan and financial consulting services for an annual fee. Personal Financial Planning may include the following: income tax/cash flow analysis; investment analysis; retirement analysis; educational funding analysis; estate planning analysis; life insurance analysis; disability insurance analysis; long term health care analysis; and such other items as requested. The fees for such services are detailed in the next section of this Brochure, titled “Fees and Compensation.”

## **Pension Consulting and College Savings Services Program**

MAS, through certain IARs, provides pension consulting services to employers that provide or intend to provide retirement plans to their employees. Under this program, participating IARs will meet with senior management and key personnel of the employer to design and operate retirement plans and retirement plan documents that meet the employer’s needs. These accounts are typically employer sponsored qualified retirement plans under section 401(a), 401(k), 403(b), or 457 of the IRS Code. MAS provides fiduciary and/or non-fiduciary services to these plans and such capacity shall be disclosed to the plan in the advisory services agreement. Investment options in the plan may include a variety of securities, including but not limited to, mutual funds, variable annuities, unit investment trusts, and money market instruments. Any investment options in the plan may be provided by or through a third party. Under this Program IAR may also work with a plan recordkeeper or third party administrator in establishment or administration of the employer sponsored plan.

MAS, through certain IARs also provides services to individual plan participants including education, enrollment assistance, and as requested from time to time, one on one consultations regarding investment recommendations. When providing individual plan participant consulting services, MAS will review the plan participant's financial circumstances, goals, and objectives as well as the investment options available in the employer sponsored retirement plan. MAS will make such recommendations from the list of available investment options in the plan, consistent with the plan participant's stated investment objectives and risk tolerance. These services do not constitute asset management services for the participant's retirement plan account. The plan participant will determine whether or not to implement the advice provided. The implementation of any trades in the participant's retirement plan account is the participant's responsibility.

MAS, through certain IARs, also provides college savings services. These services are typically offered through a 529 College Savings Plan provided through mutual fund companies. 529 plans, legally known as "qualified tuition plans," are sponsored by states, state agencies, or educational institutions and are authorized by Section 529 of the Internal Revenue Code. Under this program, participating IARs will meet with clients seeking to invest for future educational expenses to discuss investment objectives, risk tolerance, and estimated timeframe for when investment proceeds will need to be accessed. IAR will assist client with locating a plan that meets the needs of the client, will provide assistance with completing the required paperwork for account opening, and will provide assistance with selecting from the available investments within the plan.

## **Item 5 - Fees and Compensation**

Some fees are subject to negotiation.

The specific manner in which fees are charged by MAS is established in a client's written agreement with MAS. MAS' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the individual investment's prospectus. Such charges, fees and commissions are exclusive of and in addition to MAS' fee.

In addition to the fees collected in association with your advisory business, MAS and its IARs also earn commissions on the sales of securities products. These commissions represent a substantial portion of our overall compensation and are separate from any fees you may pay as a result of your advisory business with the firm.

You will not necessarily be subject to all fees outlined in this section. You are responsible only for any fees associated with the specific program(s) in which you invest.

The fees for our various programs are outlined below:

## Fee Plus Transaction Charge Program

The advisory fee will be payable quarterly in advance upon deposit of funds or securities in the Account. The initial advisory fee is due upon execution of the Client Services Agreement and will be deducted automatically from your account once the account has been funded. Subsequent advisory fee payments are due and will be assessed at the beginning of each quarter based on the value of the account assets (securities, cash and cash equivalents) under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith. These quarterly fees will be deducted directly from your account. Additional deposits of funds and/or securities will be subject to the same quarterly billing procedures. This includes deposits of stocks, bonds, mutual funds and any other securities approved by Adviser for investment in this type of account.

All assets deposited after the inception of a quarter will be billed at the end of the calendar quarter. The fee for these deposits will be prorated based on the number of days invested in the quarter. All mid-quarter withdrawals will be subject to a prorated refund, calculated at the end of the calendar quarter.

Some assets in an account may be excluded from fee billing upon request, and subject to approval by MAS and the IAR. (For example, if you hold certain securities that you intend to hold permanently).

No advisory fees will be charged on any mutual funds, unit investment trusts, annuities, or other securities transferred to the Account which were purchased within the past two years (or one year in the case of mutual fund Class C shares) and if a commission was also paid to client's IAR in his or her capacity as a Registered Representative of a broker-dealer. If purchased under these conditions, Client must provide MAS this information on the Investment Advisory Client Services Agreement upon account opening or provide an Addendum to the Fee Agreement upon the incoming transfer of assets. The advisory fee and transaction charges referenced herein include all fees and charges for the services of Adviser and IAR, including brokerage charges.

Client may have multiple accounts as part of this Program, and may elect to have advisory fees debited from one previously selected Account. Any refunds of fees will be credited only to the respective Account from which such fees were debited.

Madison's clearing firm will deduct all Advisory fees and transaction charges from client's Program Account as authorized by the client in the Client Services Agreement. The clearing firm will calculate the amount of the fee to be deducted from Client account, based on the Client Services Agreement. All fees and transaction charges paid from the Account will be disclosed on client's account statements.

The Client may be able to purchase shares of mutual funds offered through the Program outside of the Program directly from the mutual fund issuing them, its principal underwriter or distributor without paying the Account Fees on such shares (subject to any applicable sales charges). Certain of the mutual funds offered through the Program may be offered generally to the public without a sales charge. Client may also incur certain charges imposed by third parties other than Adviser and IAR in connection with

investments made through the Account, including but not limited to no-load mutual fund 12b-1 distribution fees (trail commissions), certain deferred sales charges on previously purchased mutual funds and IRA and Qualified Retirement Plan fees, redemption fees for holding a position too short a length of time, and confirmation fees. While it is possible for Class B and C share mutual funds to transfer into the Account, no new purchases of Class B or C share mutual funds are permitted in the Account. Mutual funds and UIT investments subject to 12b-1 distribution fees will have those fees credited back to Client's account as they are distributed. In the selection of the mutual funds, MAS and its IAR will generally recommend the share class to its clients that, in their opinion, represents the "best" share class for the clients. These share classes may not necessarily be the lowest cost share class, but would be the most appropriate share class for the Client in light of the Client's particular facts and circumstances.

The IAR, in connection with IAR's performance of services, shall be entitled to and may share in the advisory fees payable hereunder. The fee schedule and transaction charges set forth herein are in effect for client's Account and shall continue until thirty (30) days after Adviser has notified the client in writing of any change in the amount of the fees or charges applicable to the client's Account, at which time the new fees or charges will become effective unless the client notifies Adviser in writing that the Account is to be closed.

#### **Fee Schedule**

Account Size (Portfolio Value)	Maximum Client Fee	Minimum Client Fee
First \$250,000	2.00%	0.50%
Next \$250,000	1.75%	0.50%
Next \$500,000	1.50%	0.50%
Over \$1 MM	1.00%	0.50%

#### **Client Transaction Schedule**

<b>Stock &amp; Option Transactions:</b>	<b>Transaction Charge</b>
Domestic Equities	\$25.00 + \$0.02 cents per share
International Equities	\$75.00
Options-Equity and Index	\$30.00 + \$1.00 per contract + fees
<b>Mutual Funds:</b>	
Purchase/Redemption	\$20.00

Internal Exchanges	\$4.00
--------------------	--------

**Bonds & Other Transactions:**

Bonds (Corp., Treas., Muni.)	\$40.00 + \$1.00 per corporate bond
------------------------------	-------------------------------------

CDs	\$40.00
-----	---------

Unit Investment Trusts	\$40.00
------------------------	---------

In MAS' Fee Plus Transaction Charges program, transactions are executed through MAS using the services of its clearing firm. The charges for the transactions are reflected in the *MAS Fee Schedule* above, and as is the case with the fee, the transaction charges set forth herein are in effect for client's Account and shall continue until thirty (30) days after Adviser has notified the client in writing of any change in the amount of the fees or charges applicable to the client's Account, at which time the new fees or charges will become effective unless the client notifies Adviser in writing that the Account is to be closed. The transaction fee paid by the clients will be allocated between MAS and its clearing firm, pursuant to the agreement between these two parties.

Clients should review the transaction charges set forth in the above schedule to determine whether the transaction fees are reasonable in light of the services provided. While clients may be able to get better transaction fees at another firm, it should review the transaction fees in light of the services provided and make a decision based upon that review.

MAS may also act as broker-dealer in connection with third party programs and receive compensation in connection with such services as set forth in the account opening documentation.

Through this program, MAS and its IARs may recommend to clients the purchase or sale of investment company products from which it may receive compensation. Certain mutual funds (and/or their related persons) and certain unit investment trusts in which a client may invest make payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's or the trust's assets. In some cases, MAS and/or the IARs may receive such fees or other compensation to the extent permitted by law. In other cases, especially in the context of No Transaction Fee ("NTF") funds, MAS and its IARs will not receive the 12b-1 fees, but such fees may be payable to others, such as the custodian. If MAS receives the 12b-1 fees, it will credit such fees back to the Client's account, eliminating any conflict of interest associated with the recommendation of a fund that pays a 12b-1 fee. MAS' clearing firm may share "shareholder service fees" with MAS related to NTF funds. In the event that MAS receives any shareholder service fees, the fees will be credited back to client accounts, similar to 12b-1 fees. In the case of NTF funds, Clients should discuss with their IARs whether the purchase of the NTF funds, with the elimination of the transaction fee, would be more appropriate than purchasing a non-NTF fund that eliminates the 12b-1 fees or may otherwise have a lower internal expense ratio. Similarly, a fund that imposes a front-end sales load(charge) but which waives that front-

end sales load (a front-end load at net asset value) for purchases made on behalf of the account may bear 12b-1 distribution or service fees in excess of .25% of the account's net assets invested in such funds (the maximum allowed for no-load funds). The 12b-1 fee and other fee arrangements will be disclosed upon request and are described in the applicable fund's or trust's prospectus.

## **Standard Wrap Program**

The advisory fee will be payable quarterly in advance upon deposit of funds or securities in the Account. The initial advisory fee is due upon execution of the Client Services Agreement and funding of the account. The inception fee will be deducted automatically from your account. Subsequent advisory fee payments are due and will be assessed at the beginning of each quarter based on the value of the account assets (securities, cash and cash equivalents) under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith. These quarterly fees will be deducted directly from your account. Additional deposits of funds and/or securities will be subject to the same quarterly billing procedures. This includes deposits of stocks, bonds, mutual funds and any other securities approved by Adviser for investment in this type of account.

All assets deposited after the inception of a quarter, will be billed at the end of the calendar quarter. The fee for these deposits will be prorated based on the number of days invested in the quarter. All mid-quarter withdrawals will be subject to a prorated refund, calculated at the end of the calendar quarter.

Some assets in an account may be excluded from fee billing upon request, and subject to approval by MAS and the IAR. (For example, if you hold certain securities that you intend to hold permanently).

No advisory fees will be charged on any mutual funds, unit investment trusts, annuities, or other securities transferred to the Account which were purchased within the past two years (or one year in the case of mutual fund Class C shares) if a commission was also paid to client's IAR in his or her capacity as a Registered Representative of a broker-dealer. If purchased under these conditions, Client must provide MAS this information on the Investment Advisory Client Services Agreement upon account opening or provide an Addendum to the Fee Agreement upon the incoming transfer of assets. The advisory fees referenced herein include all fees and charges for the services of Adviser and IAR, including brokerage charges.

Client may have multiple accounts as part of this Program, and may elect to have advisory fees debited from one previously selected Account. Any refund of fees will be credited only to the respective Account from which such fees were debited.

The clearing firm will deduct all Advisory fees from client's Program Account as authorized by the client in the Client Services Agreement. All fees paid from the Account will be disclosed on client's account statements.

The Client may be able to purchase shares of mutual funds offered through the Program outside of the Program directly from the mutual fund issuing them, its principal underwriter or distributor without paying the Account Fees on such shares (subject to any applicable sales charges). Certain of the mutual funds offered through the Program may be offered generally to the public without a sales charge. Client may also incur certain charges imposed by third parties other than Adviser and IAR in connection with investments made through the Account, including but not limited to no-load mutual fund 12b-1 distribution fees (trail commissions), certain deferred sales charges on previously purchased mutual funds and IRA and Qualified Retirement Plan fees, redemption fees for holding a position too short a length of time, and confirmation fees. While it is possible for Class B and C share mutual funds to transfer into the Account, no new purchases of Class B or C share mutual funds are permitted in the Account. Mutual funds and UIT investments subject to 12b-1 distribution fees which are paid to MAS will have those fees credited back to Client's account as they are distributed.

Purchasers of mutual funds that are designated as No Transaction Fee ("NTF") funds are not assessed any transaction fees by MAS or its IARs. However, these NTF funds typically contain mutual funds that pay a 12b-1 fee to MAS' clearing firm. Neither MAS nor its IARs are recipients of these 12b-1 fees. Accordingly, MAS does not rebate these 12b-1 fees back to the Clients. MAS' clearing firm may share "shareholder service fees" with MAS related to NTF funds. In the event that MAS receives any shareholder service fees, the fees will be credited back to client accounts, similar to 12b-1 fees. In the case of these NTF funds, Clients should discuss with their IARs whether the purchase of the NTF funds is appropriate within their program account. Transaction fees are not assessed in our Standard Wrap Program, therefore the elimination of the transaction fee but the addition of a 12b-1 fee provides no benefit. Clients should discuss with their IAR whether other classes of mutual fund shares, would be more appropriate than purchasing a non-NTF fund that eliminates the 12b-1 fees.

The IAR, in connection with IAR's performance of services, shall be entitled to and may share in the advisory fees payable hereunder. The fee schedule set forth herein are in effect for Client's Account and shall continue until thirty (30) days after MAS has notified the client in writing of any change in the amount of the fees or charges applicable to the Client's Account, at which time the new fees or charges will become effective unless the Client notifies MAS in writing that the Account is to be closed.

**Fee Schedule**

Account Size (Portfolio Value)	Maximum Client Fee	Minimum Client Fee
First \$250,000	2.25%	0.75%
Next \$250,000	1.75%	0.75%
Next \$500,000	1.50%	0.50%
Over \$1 MM	1.00%	0.50%



### **Low Balance Fee**

Accounts in the MAS Standard Wrap Program that do not have a minimum balance of at least \$25,000 on the last business day of a calendar quarter will be subject to a \$25 “low balance fee.” This low balance fee is non-refundable and not prorated.

In MAS’ Standard Wrap Program, transactions are executed through MAS. MAS may receive a portion of the fees paid by client in connection with such transactions. MAS may act as broker-dealer in connection with third party programs and receive compensation in connection with such services as set forth in the account opening documentation.

Through this program, MAS and its IARs may recommend to clients the purchase or sale of investment company products from which it may receive compensation. Certain mutual funds (and/or their related persons) and certain unit investment trusts in which a client may invest make payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's or the trust's assets. MAS and/or the IARs may receive such fees or other compensation to the extent permitted by law. A fund that imposes a front-end sales load(charge) but which waives that front-end sales load (a front-end load at net asset value) for purchases made on behalf of the account may bear 12b-1 distribution or service fees in excess of .25% of the account's net assets invested in such funds (the maximum allowed for no-load funds), which are paid to MAS. The 12b-1 fee and other fee arrangements will be disclosed upon request and are described in the applicable fund's or trust's prospectus. Since MAS credits the 12b-1 fees that it collects back to Client’s account, conflicts of interest have been eliminated in connection with the recommendation of any particular mutual fund in the Account.

Purchasers of mutual funds that are designated as No Transaction Fee (“NTF”) funds are not assessed any transaction fees by MAS or its IARs. However, these NTF funds typically contain mutual funds that pay a 12b-1 fee to MAS’s clearing firm. Neither MAS nor its IARs are recipients of these 12b-1 fees. Accordingly, MAS does not rebate these 12b-1 fees back to the Clients. In the case of these NTF funds, Clients should discuss with their IARs whether the purchase of the NTF funds, with the elimination of the transaction fee but the addition of a 12b-1 fee, would be more appropriate than purchasing a non-NTF fund that eliminates the 12b-1 fees.

### **AE Wealth Management Program**

The AE Wealth Management (“AEWM”) Program carries its own fee schedule that is specific to that program. The Program fees are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a monthly calendar basis and calculated based on the average daily balance of the account(s) for the current billing period. Fees are prorated (based on the number of days’ service provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Under the average daily balance method, each day’s balance for the month is summed then divided by the number of days in the month, to compute the

average daily balance. The average daily balance is then multiplied by the monthly portion of the annual fee to determine the monthly fee due.

Fees are negotiable by IARs based upon a variety of factors including (but not limited to) the type of client, the complexity of the client's situation, and the composition of the client's account (i.e., equities versus mutual funds). Based upon the above negotiability factors, each IAR is allowed to set the investment advisory fee in this Program up to a maximum amount of 2.5% annually. The fee charged to each client includes a portion attributable to MAS (which is then shared with the IAR) and a portion attributable to other third parties, including the designated custodian, the Program Sub-Adviser, and the platform provider. The annual investment advisory fee in this Program may be higher than that charged by other investment advisers offering similar services/programs. In addition to the advisory fee you will pay, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses). Investment advisory fees will be deducted from your account and paid to MAS (by way of the sub-adviser) by the qualified custodian(s) of your account. You must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to the sub-adviser. You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted. This asset management service of this Program is offered both on a non-wrap fee basis and through a wrap fee program. If you choose the non-wrap fee basis, the qualified custodian will charge a separate commission, ticket charge, or fee for executing a securities transaction in addition to MAS' investment advisory fee. MAS does not receive any portion of such commissions, ticket charges, or custodial fees from the qualified custodian in the AE Wealth Management Program. If you choose the wrap fee program, you will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodial fee for the execution of transactions in your account. In addition to the fees described above, you may incur certain charges imposed by third parties other than MAS in connection with investments made through your account including, but not limited to, mutual fund sales loads, periodic mutual fund fees (for example, 12b-1 trails) and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Since these 12b-1 trails are not paid to MAS, MAS will not be rebating these fees back to its Clients. Management fees charged by MAS are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

### **Low-Minimum Wrap Program**

MAS is no longer offering this program, as of June 30, 2020. For legacy accounts within this program, opened prior to June 30, 2020, the advisory fee will be payable quarterly in advance. Advisory fee payments are due and will be assessed at the beginning of each quarter based on the value of the account assets (securities, cash and cash equivalents) under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith. These quarterly fees will be deducted directly from your account.

Additional deposits of funds and/or securities will be subject to the same quarterly billing procedures. This includes deposits of stocks, bonds, mutual funds and any other securities approved by Adviser for investment in this type of account.

All assets deposited after the inception of a quarter will be billed at the end of the calendar quarter. The fee for these deposits will be prorated based on the number of days invested in the quarter. All mid-quarter withdrawals will be subject to a prorated refund, calculated at the end of the calendar quarter.

Some assets in an account may be excluded from fee billing upon request, and subject to approval by MAS and the IAR. (For example, if you hold certain securities that you intend to hold permanently).

No advisory fees will be charged on any mutual funds, unit investment trusts, annuities, or other securities transferred to the Account which were purchased within the past two years (or one year in the case of mutual fund Class C shares) if a commission was also paid to client's IAR in his or her capacity as a Registered Representative of a broker-dealer. The advisory fees referenced herein include all fees and charges for the services of Advisor and IAR, including brokerage charges.

Client may have multiple accounts as part of this Program, and may elect to have advisory fees debited from one previously selected Account. Any refund of fees will be credited only to the respective Account from which such fees were debited.

The clearing firm will deduct all Advisory fees from client's Program Account as authorized by the client in the Client Services Agreement. All fees paid from the Account will be disclosed on client's account statements.

The Client may be able to purchase shares of mutual funds offered through the Program outside of the Program directly from the mutual fund issuing them, its principal underwriter or distributor without paying the Account Fees on such shares (subject to any applicable sales charges). Certain of the mutual funds offered through the Program may be offered generally to the public without a sales charge. Client may also incur certain charges imposed by third parties other than Adviser and IAR in connection with investments made through the Account, including but not limited to no-load mutual fund 12b-1 distribution fees (trail commissions), certain deferred sales charges on previously purchased mutual funds and IRA and Qualified Retirement Plan fees, redemption fees for holding a position too short a length of time, and confirmation fees. While it is possible for Class B and C share mutual funds to transfer into the Account, no new purchases of Class B or C share mutual funds are permitted in the Account. Mutual funds and UIT investments subject to 12b-1 distribution fees that are paid to MAS will have those fees credited back to Client's account as they are distributed.

Purchasers of mutual funds that are designated as No Transaction Fee ("NTF") funds are not assessed any transaction fees by MAS or its IARs. However, these NTF funds typically contain mutual funds that pay a 12b-1 fee to MAS's clearing firm. Neither MAS nor its IARs are recipients of these 12b-1 fees. Accordingly, MAS does not rebate these 12b-1 fees back to the Clients. MAS' clearing firm may share "shareholder service fees" with MAS related to NTF funds. In the event that MAS receives any shareholder service fees, the fees will be credited back to client accounts, similar to 12b-1 fees. In the

case of these NTF funds, IARs have a conflict of interest to recommend NTF funds because the IAR is responsible for the transaction fees associated with mutual fund purchases in this program. Clients should discuss with their IARs whether the purchase of the NTF funds, with the elimination of the transaction fee but the addition of a 12b-1 fee, is appropriate for them, relative to other comparable mutual funds with lower cost structures.

The IAR, in connection with IAR's performance of services, shall be entitled to and may share in the advisory fees payable hereunder. The fee schedule set forth herein are in effect for client's Account and shall continue until thirty (30) days after Adviser has notified the client in writing of any change in the amount of the fees or charges applicable to the client's Account, at which time the new fees or charges will become effective unless the client notifies Adviser in writing that the Account is to be closed.

In the legacy Low-Minimum Wrap Program, the advisory fee is a “wrap fee”, which “bundles” the fee for advisory services along with fees for transaction costs for the client. This means that the client will pay one fee for both services. The wrap fee is calculated as a percentage of the assets transferred in and held in the account in accordance with the following fee schedule:

**Fee Schedule**

Account Size (Portfolio Value)	Maximum Client Fee	Minimum Client Fee
First \$250,000	2.25%	1.00%
Next \$250,000	1.75%	0.75%
Next \$500,000	1.50%	0.50%
Over \$1,000,000	1.00%	0.50%

Please note that the fee schedule set forth above is in effect for client's Account and shall continue until thirty (30) days after Adviser has notified the client in writing of any change in the amount of the fees or charges applicable to the client's Account, at which time the new fees or charges will become effective unless the client notifies Adviser in writing that the Account is to be closed.

The client pays this wrap fee quarterly, in advance upon deposit of funds or securities in the Account. The initial advisory fee is due upon execution of the Client Services Agreement and the funding of the account. The inception fee will be deducted automatically from your account by the custodian. Certain assets being transferred into the account may be excluded for initial fee calculation purposes if certain conditions are met. These conditions include (i) assets which are being transferred in which the client intends to hold on a permanent basis (thereby not requiring the Firm’s investment management services or (ii) assets (including any mutual funds, unit investment trusts, annuities, or other securities) which are being transferred in from the client’s account with the Firm’s brokerage area, in which the Firm and its IAR received commissions within the last twenty-four (24) months (or twelve (12) months if

the asset being transferred in from the Firm's brokerage account are Class C mutual fund shares). No assets will be excluded until such requests have been presented to MAS and approved by MAS. Please note that assets may be excluded from fee calculations on either a permanent or temporary basis. Clients should discuss the terms and conditions governing assets requested for exclusions and the length of such exclusion when the request has been approved by MAS.

Subsequent advisory fee payments are due and will be assessed at the beginning of each quarter based on the value of the account assets (securities, cash and cash equivalents) under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith. These quarterly fees will be deducted directly from your account by the custodian. Additional deposits of funds and/or securities will be subject to the same quarterly billing procedures by the custodian. This includes deposits of stocks, bonds, mutual funds and any other securities approved by Adviser for investment in this type of account. All assets deposited after the inception of a quarter will be billed at the end of the calendar quarter. The fee for these deposits will be prorated based on the number of days invested in the quarter. All mid-quarter withdrawals will be subject to a prorated refund, calculated at the end of the calendar quarter.

Through this Low-Minimum Wrap Program, MAS and its IARs may recommend to clients the purchase or sale of investment company products from which it may receive compensation. Certain mutual funds (and/or their related persons) and certain unit investment trusts in which a client may invest make payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's or the trust's assets. MAS and/or the IARs may receive such fees or other compensation to the extent permitted by law. A fund that imposes a front-end sales load (charge) but which waives that front-end sales load (a front-end load at net asset value) for purchases made on behalf of the account may bear 12b-1 distribution or service fees in excess of .25% of the account's net assets invested in such funds (the maximum allowed for no-load funds). The 12b-1 fee and other fee arrangements are described in the applicable fund's or trust's prospectus and such document is provided to the client. MAS has a policy in place to credit these 12b-1 fees back to client's account to eliminate any potential conflicts of interest in connection with the recommendation of any particular mutual fund in the Account.

The Client may be able to purchase shares of mutual funds offered through the Low-Minimum Wrap Program outside of the Program directly from the mutual fund issuing them, its principal underwriter or distributor without paying the Account Fees on such shares (subject to any applicable sales charges). Certain of the mutual funds offered through the Program may be offered generally to the public without a sales charge. Client may also incur certain charges imposed by third parties other than Adviser and IAR in connection with investments made through the Account, including but not limited to no-load mutual fund 12b-1 distribution fees (trail commissions), certain deferred sales charges on previously purchased mutual funds and IRA and Qualified Retirement Plan fees, redemption fees for holding a position too short a length of time, and confirmation fees. While it is possible for Class B and C share mutual funds to transfer into the Account, no new purchases of Class B or C share mutual funds are permitted in the Account. Mutual funds and UIT investments subject to 12b-1 distribution fees will have those fees

credited back to client's account as soon as practicable after the Firm discovers that 12b-1 distribution fees have been paid to the Firm.

While the advisory fees referenced herein include all fees and charges for the services of Advisor and IAR, including brokerage charges, the "wrap fee" paid by the client is then allocated among MAS, MAS's IARs and MAS's clearing firm for execution and other services. The "wrap fee" paid by the client is then allocated among MAS, MAS's IARs and MAS's clearing firm for execution and other services. While the allocation of the "wrap fee" does not generally affect the clients (who is just paying the wrap fee), the allocation of the wrap fee's certain transactional costs, like the platform fee, is lower in the Low-Minimum Wrap Fee Program than in other programs. This results in a higher overall allocation to the IARs. However, that higher allocation to the IAR is offset by certain transaction fees and surcharges associated with trading activity (transactions in the Low-Minimum Wrap Program are usually executed without sales commissions or markups, but there is still a cost associated with transactions, which would be used to offset the higher allocation to the IAR). Since the higher allocation of the wrap fee to the IAR is offset by transaction fees and surcharges, the more transactions executed by the IAR means there are more offsets to the IAR's allocation, thereby reducing the allocation provided to the IAR (and, thus, a reduction in revenue for the IAR due to transaction costs). This may create an incentive for the IAR to place less trades in order to reduce the offset and capture more of the allocation. This incentive may create a conflict of interest for the IAR. However, IARs are aware of their fiduciary obligation to put their client's best interest ahead of their compensation. Moreover, MAS has internal controls in place, which monitors its IARs' executions that they perform on behalf of their clients and requires the IARs to provide justification in the event that there is a low level of trading activity for specific accounts. Finally, MAS and its IARs are required to provide on-going review of their clients' accounts and will, during their on-going review with the clients, explain whether the amount of trading conducted during the recent past is appropriate for the account based upon the client's investment objective and whether the account should stay in the Low-Minimum Wrap Program or move to another program, such as the Standard Wrap Program with its low balance fee.

The clearing firm will deduct all Advisory fees from client's Program Account as authorized by the client in the Client Services Agreement. All fees paid from the Account will be disclosed on client's account statements. Client may have multiple accounts as part of this Program, and may elect to have advisory fees debited from one previously selected Account. Any refund of fees will be credited only to the respective Account from which such fees were debited.

### **Direct Third Party Manager Program**

The total fees charged to you in direct third party money managed programs will vary from manager to manager. Regardless of the manager you select, all of their fees will be disclosed within their individual brochures. MAS will receive a portion of the total fees assessed in these programs, regardless of the manager selected. These fees may be higher than fees of our other programs.

## Financial Planning and Consulting Services

As outlined in the previous section, certain IARs of MAS may offer financial planning and consulting services for a fee. In all instances, these fees will be billed directly to you, and payment must be made to Madison Avenue Securities, LLC. The fee arrangement for the various services are as follows:

Hourly Financial Consulting: Clients may retain MAS to provide financial consulting services for an hourly fee. The fee for such services is \$300 per hour (\$250 for Kansas residents), but IAR may discount the fee. You will be billed for the total fee after the services have been rendered. In certain circumstances, a portion of the fee may be collected in advance. In such cases, you will have five business days after signing the agreement with MAS to terminate the agreement without penalty. If you terminate the Investment Advisory Client Services Agreement – Financial Planning/Consultation after the first five business days, you will either receive a refund of a portion of the fees paid or be charged a portion or all of the balance of the fee, depending on the value of services provided by MAS before notice of termination was received.

Fixed Fee Services: Client may retain MAS to provide a one-time financial plan, a portfolio analysis, and/or an investment policy statement for a fixed fee. The fee for such services will range from \$1,000 to \$5,000, but may be higher or lower depending on a variety of factors, including the services provided and the complexity of the client's financial situation and objectives. The fixed fee will be agreed upon by MAS, client, and IAR in advance and will be set forth in Exhibit A, Advisory Services to be Performed, attached to the Investment Advisory Client Services Agreement – Financial Planning/Consultation. Under certain circumstances, you may pay a portion of the fee in advance of the provision of any services and will pay the balance upon completion of the agreed upon services. If any fees are paid in advance, you will have five business days after signing an agreement with MAS to terminate the agreement without penalty. If you terminate the agreement after the first five business days, you will either receive a refund or a portion of the fee paid or be charged a portion or all of the balance of the fee, depending on the value of services provided by MAS before notice of termination was received.

Annual Financial Plan: Clients may retain MAS to provide a financial plan, similar to the one-time financial plan described above under Fixed Fee Services, plus updates to the plan and financial consulting services for an annual fee. The annual fee will generally be a flat dollar amount. An estimate of the annual fee will be set forth in Exhibit A, Advisory Services to be Performed, attached to the Investment Advisory Client Services Agreement – Financial Planning/Consultation when applicable, and can range from \$2,000 to \$5,000 or more. Clients will pay the fees as billed. Fees may be paid by direct bill or may be deducted directly from client accounts, as directed by client. In either case, billing arrangement will be agreed upon by Adviser and client. If a client terminates the Investment Advisory Client Services Agreement no further fees will be charged or deducted from accounts. The fees billed are non-refundable.

Client will have five business days after signing an agreement with MAS to terminate the agreement without penalty. If a client terminates the investment advisory client services agreement after the first five business days, the client will either receive a refund or a portion of the fee paid or be charged a

portion or all of the balance of the fee, depending on the value of services provided by MAS before notice of termination was received.

The annual financial planning fee builds upon the fixed fee services. Those fees may range from \$2,000 to \$5,000, depending upon scope of services provided. An IAR may discount fees, which will normally be based on the total relationship with the IAR. For example, if a client has multiple accounts with the IAR or if the IAR has relationships with several members of the same family, the IAR may, but is not required to, discount the planning fees.

**Other Services:** Clients may retain MAS to provide other services under the umbrella of a “financial plan”, which may be similar to the one-time financial plan or annual financial plan described above. The fee for the other services may be a flat dollar amount or a variable amount, based on a number of factors, which may include account size. Fees will be billed to client or deducted directly from client accounts, as directed by client. If a client terminates the Investment Advisory Client Services Agreement no further fees will be charged or deducted from accounts. The fees billed are non-refundable.

When providing financial planning and consulting services, IARs may recommend that you purchase securities or insurance products offered through MAS pursuant to the plan or consultation. IARs receive commissions as registered broker-dealer representatives or insurance agents in connection with such transactions. Thus, the IARs may have a conflict of interest when providing financial planning services because they and MAS may receive additional compensation if you choose to execute transactions or purchase insurance products through MAS. You have the right to reject recommendations made by an IAR through the IAR or otherwise through MAS or its affiliates, as well as to implement the recommendations through another adviser, who may charge more or less for the same products and services.

### **Pension Consulting and College Savings Services Program**

The fees associated with employer sponsored retirement plans are determined on a case-by-case basis and are set forth in our agreements with the Plan Sponsor. Generally, these fees are based on total plan assets.

The advisory fees associated with College Savings services are typically based on a percentage of account value in this program and usually are between one quarter of one percent (0.25%) and one percent (1.0%) per year. (Fixed fee services for college savings planning are available through a separate program, the Financial Planning and Consulting Services Program). The advisory fees under this program will be deducted directly from the 529 Plan account. Some clients may pay fees higher or lower than other clients, depending on a number of factors, including account size. The fees charged by mutual fund companies for management of individual funds (the expense ratios of the mutual funds) are in addition to the advisory fee charged by MAS and are described in each mutual funds’ prospectus.



## **Item 6 - Performance-Based Fees and Side-By-Side Management**

Madison Avenue Securities, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Madison Avenue Securities, LLC provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trusts.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

MAS uses a variety of information sources and methods of investment analysis in managing assets. Our IARs will typically use the various methods for analysis described below in our Fee Plus Transaction Charge Program, Standard Wrap Program, and Low-Minimum Wrap Program. For details of methods of analysis uses in our Direct Third Party Money Manager and Lockwood Managed Accounts Programs, please see the individual brochures of those managers. For MAS, our methods of securities analysis include:

Technical Analysis and Charting: “Technical Analysis,” sometimes also known as “charting” is method of evaluating securities by analyzing statistics generated by market activity, such as past prices and trading volume. In technical analysis it is not attempted to measure a security's intrinsic value (value based on company’s financial status, cash flow, net worth, etc.), but instead to use historical charts and other tools to identify patterns that can suggest future activity.

Cyclical Analysis: Similar to Charting, “Cyclical Analysis” attempts to suggest the future activity of the prices of securities based on the theory that prices move in a cyclical pattern. This method of analysis uses market cycles (the general expansion and contraction of business) as the primary driver. This method of analysis does not take under consideration the intrinsic value (value based on company’s financial status, cash flow, net worth, etc.), of the security being evaluated.

Fundamental Analysis: Unlike Technical Analysis, “Fundamental Analysis” involves analyzing the securities of a company based on its financial statements and health, its management and competitive advantages, and its competitors and markets.

None of the methods above guarantee the successful prediction of future securities prices. In practice, the various methods of analysis are often used in concert with one another in analyzing securities. Information about the securities being analyzed may come from a variety of sources. These sources may include financial newspapers and magazines, research materials prepared by industry analysts, corporate rating services, (such as Morningstar, Moody’s, Standard & Poor’s, etc.) company press

releases, and annual reports or prospectuses filed with the Securities and Exchange Commission. (It should also be noted that neither MAS nor its IARs prepare “research reports” internally).

The outcome of the analysis may lead to recommendations for long term purchases of securities, (securities held for one year or longer) short term purchases, (securities sold within a year) active trading (securities purchased and sold within 30 days).

Regardless of the investing strategy employed, investing in securities involves risk of loss that you should be prepared to bear. There is no investing strategy that can guarantee you against loss.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Madison Avenue Securities, LLC or the integrity of MAS’ management. MAS has three such disciplinary items to disclose:

On June 20, 2013 MAS signed an order of Acceptance, Waiver, and Consent (AWC) with FINRA whereby without admitting or denying the findings, the firm was censured and fined \$12,500. The disciplinary event was related to a former representative of the firm that participated in private securities transactions away from the firm and that the firm failed to record the associated transactions on its books and records and alleged that the firm failed to adequately supervise the activities of the representative. The fine was paid in full in July of 2013.

On December 5, 2016 MAS signed an order of Acceptance, Waiver, and Consent (AWC) with FINRA whereby without admitting or denying the findings, the firm was censured and fined \$75,000. The disciplinary event pertained to the firm’s lack of adequate supervisory procedures or systems pertaining to the creation and dissemination of consolidated reports to customers. The fine was paid in full in December of 2016.

On May 31, 2022 the Securities and Exchange Commission (“SEC”) accepted an offer of settlement from MAS and agreed to the entry of an Administrative Order whereby MAS agreed, without admitting or denying the allegations, to, among other things, a censure and to cease and desist from causing any future violations of sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder, disgorgement of \$579,523.76, (along with \$73,649.94 of prejudgment interest) and a money penalty of \$150,000.00. This action arose from the SEC allegation that MAS failed to adequately disclose a conflict of interest that existed when MAS received revenue sharing from its unaffiliated clearing firm on certain cash balances held in customer advisory accounts that were swept into an overnight investment instrument and MAS’ receipt of certain 12b-1 fees and/or shareholder service fees on mutual funds which were not automatically rebated back to the clients.

Additional information about these events is available on the SEC’s Investment Adviser Public Disclosure website at [http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_Search.aspx](http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx)

## Item 10 – Other Financial Industry Activities and Affiliations

MAS is registered as a full service general securities registered broker-dealer, and is also licensed as an insurance agency in all 50 states. The principal business of MAS' executive officers is the day-to-day management of the broker-dealer activities. This broker-dealer and other non-investment advisory services account for more than half of management's time.

## Item 11 – Code of Ethics

Madison Avenue Securities, LLC ("MAS") has adopted a Code of Ethics (the Code) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics was created in compliance with the Securities and Exchange Commission (SEC) Rule 204A-1, ("the Rule") and includes provisions relating to the confidentiality of client information and a prohibition on insider trading. Supervised persons are also required to report personal securities holdings and transactions and must seek pre-approval of certain personal investments, among other things. The code also requires supervised persons to comply with applicable federal securities laws. It is the responsibility of all Covered Persons to read, understand and abide by all aspects of the Code.

MAS' clients or prospective clients may request a copy of the firm's Code of Ethics by e-mailing [info@mas-bd.com](mailto:info@mas-bd.com) or by calling 888-627-7323.

The firm does not make a market in any securities and does not buy or sell securities for its own account. MAS offers brokerage services to clients separate from the advisory services described herein. IARs provide brokerage services to clients as registered broker-dealer representatives. MAS and registered broker-dealer representatives receive transaction based compensation in connection with such brokerage services. Transactions may not be executed through MAS if to do so would result in a breach of its fiduciary duties.

MAS, its IARs, and affiliates may, but are not obligated to, purchase or sell or recommend for purchase or sale a security which they may purchase or sell for their own accounts or the account of any other client. MAS has procedures dealing with insider trading, employee related accounts, front running and other issues that may present a potential conflict when such purchases, sales, or recommendations are made. In general, these policies and procedures are intended to eliminate, to the extent possible, the adverse effect on clients of any such potential conflicts of interest.

MAS anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which MAS has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which MAS, its affiliates and/or clients, directly or indirectly, have a position of interest. MAS' employees and persons associated with MAS are required to follow MAS' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of MAS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for MAS' clients. The Code of Ethics

is designed to assure that the personal securities transactions, activities and interests of the employees of MAS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of MAS' clients. In addition, the firm requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored to reasonably prevent conflicts of interest between MAS and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with MAS' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. MAS will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is MAS' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. MAS will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

### Factors Used to Select Custodian and/or Broker Dealers

As previously outlined in Item 5 above, when providing financial planning and consulting services, IARs may recommend that clients purchase securities or insurance products offered through MAS pursuant to the plan or consultation. IARs receive commissions as registered broker-dealer representatives or insurance agents in connection with such transactions. Thus, the IARs may have a conflict of interest when providing financial planning services because they and MAS will receive additional compensation if the client chooses to execute transactions or purchase insurance products through MAS. Clients have

the right to reject recommendations made by an IAR through the IAR or otherwise through MAS or its affiliates, as well as to implement the recommendations through another adviser, who may charge more or less for the same products and services.

MAS makes a basic assumption that the IAR will recommend that you use the IAR in his or her capacity as a registered representative (“RR”) to complete the purchase or sale of recommended transactions. The client would normally be introduced to MAS by the IAR/RR. In most, if not all cases, the IAR will be a RR of MAS. The value of products, research, and services given to a client are not a factor in suggesting a broker. When doing business with MAS, you may pay commissions higher than those obtainable from other brokers. MAS does not direct client transactions to a particular broker in return for products and research services it may receive. Client is also free to implement the recommendations of MAS IARs through whomever they choose.

As an investment adviser and broker-dealer, MAS has a duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the lowest price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the timelines of the execution, apparent market conditions at the time the trade is placed (including the float and efficiency of the market) and the needs of the particular client. MAS seeks to obtain best execution for its clients’ transactions, which may not necessarily mean the best price or lowest commission available but rather the best overall qualitative execution given the particular circumstances. MAS is responsible for managing client accounts on a day-to-day basis and selecting the broker-dealer for client transactions in accordance with their best execution policies.

In seeking best execution, MAS’ primary objective is to seek prompt execution of orders at the most favorable prices reasonably obtainable. Sub-managers in various MAS programs may have discretion to cause trades to be executed by broker-dealers other than MAS if the investment sub-manager reasonably determines in good faith that using another broker-dealer is likely to result in better execution than if the trades were executed by MAS. Occasionally, in order to seek best execution and minimize market impact, trades can be “stepped-out” in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firms without any additional commission or markup or markdown, but in other instances, the executing firm imposes a commission or a markup on the trade. If a client’s investment sub manager steps-out trade orders for the client’s account with a broker-dealer other than MAS, and the other broker-dealer imposes a commission or equivalent fee on the trade (including a commission embedded in the price of the investment), the client will incur trading costs in addition to the Advisory Fee, even if the account is a wrap fee account. MAS is not a party to step-out trades and is not in a position to negotiate the price or transaction related cost(s) with broker, dealer or bank selected by the sub-manager for these trades.

#### Support Products and Services

MAS’ custodian (the “Custodian”) may provide MAS with access to its institutional trading and custody services, which are typically not available to retail investors. These services are generally available to

independent investment advisers on an unsolicited basis. Some of the services provided by the Custodian include brokerage, custody, research and access to certain mutual funds and other investments that may not otherwise be available to non-institutional investors or would require a significantly higher minimum initial investment.

The Custodian may provide MAS clients the ability to buy securities on margin and charge the MAS client interest incurred by the margin account. Such interest collected by the Custodian may be shared with MAS. In addition, there may be other similar revenue sharing between the Custodian and MAS. For example, certain fees (such as IRA fees) and expenses (such as postage fees, ticket charges, and other miscellaneous fees) may be charged and collected by the Custodian on behalf of MAS. The fees charged and collected by the Custodian on behalf of MAS may not necessarily reflect the same price that the Custodian charges MAS for similar circumstances. As discussed above, the fees for these services are MAS fees, established by MAS after taking into consideration the direct and indirect costs incurred by MAS associated with such service with a reasonable profit built in for the offering of such services to MAS clients.

The Custodian may also make available to MAS other products and services that benefit MAS but may not benefit its clients' accounts. Some of these other products and services may assist MAS in managing and administering clients' accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitation of trade execution (and allocation of aggregated trade orders for multiple client accounts), providing research pricing information and other market data and assisting with back-office functions, recordkeeping and client reporting.

Some of the custodians utilized by investment advisers, including our Custodian, will offer to invest the uninvested portion of cash in certain advisory accounts that meet criteria established by the Custodian in overnight securities instruments. Some of these overnight securities instruments will pay to the Custodian a participation payment on those accounts that have uninvested cash in excess of certain minimums established by the Custodian. Others do not. While the Custodian pays the interest that is earned by the uninvested cash to the Client, in some cases, the Custodian also makes a payment to the broker dealer of the investment adviser that introduces the client to the issuer of the particular overnight instrument used by the fund (the "Participation Payment"). While MAS has allowed its Clients to select which overnight investment instrument will be utilized, it had previously utilized a default mechanism to automatically select an overnight investment instruments that generally pays the highest interest rate to the Clients, but also paid a Participation Payment to MAS. This created a conflict of interest for MAS. Accordingly, MAS has now notified its clients that it will continue to allow its Clients to select the overnight investment instrument, but has changed its default mechanism to an overnight investment instrument does not pay a Participation Payment to MAS. Clients that decide to select an overnight investment instrument that is not the default overnight investment instrument should discuss with their IAR whether the investment instrument pays a Participation Payment to MAS and if that selection is in their best interest. If the Clients select an overnight investment vehicle that pays a Participation Payments, Clients acknowledge and agree that they selected the investment instrument with full awareness that Participation Payments are made to MAS and that the selected overnight investment instrument is in their best interest.

The Custodian may also make available to MAS other services intended to help MAS manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, the Custodian may make available, arrange and/or pay for these types of services rendered to MAS by other independent third parties. As such, MAS has an incentive to select or recommend a Custodian based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution. While MAS endeavors to act in its clients' best interests, MAS' requirements that its clients maintain their assets in accounts at the Custodian may be based in part on the benefit to MAS of the availability of some of the foregoing products and services.

In addition, due to the fact that MAS does not directly pay for these services, including any research received, it may be construed as receipt of an economic benefit by MAS and therefore, a conflict of interest exists between MAS and the client.

Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients.

### **Item 13 – Review of Accounts**

If you open an account under our Fee Plus Transaction Charge Program, Standard Wrap Program, or Low-Minimum Wrap Program, your account will be reviewed regularly by your IAR. All activities of your IAR are supervised by a "Supervising Principal" of MAS. The Supervising Principal holds the responsibility of supervising all activities of the IAR. If you wish to increase the frequency of your account reviews, you are free to make these arrangements directly with your IAR.

In our Direct Third Party Money Manager Program and our AE Wealth Management Program, your individual investments are monitored by third party money managers. However, the performance of these managers will be regularly monitored by your IAR. Your IAR will review the performance of the selected third party managers regularly with you. If you wish to increase the frequency of these reviews, you are free to arrange this directly with your IAR.

If you enter into an agreement with MAS and/or an IAR of MAS to create a financial plan or an annual financial plan, your plan will be reviewed in accordance with your Investment Advisory Client Services Agreement.

### **Item 14 – Client Referrals and Other Compensation**

In our Direct Third Party Money Manager Program, the third party money managers that we refer to you compensate MAS for these referrals. The fee is paid to us out of a portion of the total fee that you pay to these money managers. There is no additional fee on top of the fee that you pay. Because the portion of the fee that MAS receives for referred business varies (depending on the third party money manager selected), MAS has an incentive to refer you to one manager over another.

MAS generally does not pay referral fees to any third parties for clients that are referred to MAS. When referral fees are paid by MAS by way of a “Solicitor” or “Promoter” arrangement those fees will be disclosed to you by way of a separate disclosure document.

## **Item 15 – Custody**

Custody is defined as having access or control over client funds and/or securities. Custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

For accounts in which MAS is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. All assets are held in custody either with our clearing firm or with the third party manager (in the case of our Direct Third Party Money Manager Program), or with the custodian that that third party manager selects. In the case of the AE Wealth Management Program, assets are held in custody at either TD Ameritrade or Fidelity Institutional. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian’s name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any reports received from MAS, where applicable. If you have questions about your account statements, please contact MAS or the qualified custodian preparing the statement.

## **Item 16 – Investment Discretion**

When providing asset management services, MAS maintains trading authorization over your account(s). We do not have the authority to withdraw funds or take custody of client funds or securities. In our Fee Plus Transaction Charge Program, our Standard Wrap Program, our Low-Minimum Wrap Program, and our AE Wealth Management Program, MAS obtains authority to directly debit fees from client accounts. Clients’ funds and securities are held in custody by the clearing firm under all of these programs. MAS provides instructions to the clearing firm to debit client accounts pursuant to Client authorization in the Client Services Agreement or client account documents.

You will be required to execute an agreement with MAS expressly granting MAS trading authority on the account(s) we will manage for you. The agreement will delineate trading authority on a non-discretionary versus discretionary basis.

Through our Fee Plus Transaction Charge Program, Standard Wrap Program, and Low-Minimum Wrap Program, we commonly provide management services on both a discretionary and non-discretionary basis. When managing accounts on a non-discretionary basis, we will be required to contact you prior to



implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

If you grant trading authorization on a discretionary basis, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your account(s) without obtaining your consent for each transaction.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your account(s). You may also place reasonable limitations on the discretionary power granted to MAS so long as the limitations are specifically set forth or included as an attachment to the client agreement.

MAS offers clients the ability to participate in third party managed programs in our Direct Third Party Money Manager Program. Regardless of the program, you will receive a brochure from the third party manager if you invest in one of these programs. The brochure or other applicable disclosure documents will contain a description of limitations on the authority of the third party money managers and their discretion (if any) over your account. The client receives confirmation of all transactions in the account and is free to terminate their participation in the program and retain or dispose of any assets in the account at any time.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, MAS does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. MAS may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about MAS' financial condition. MAS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.