

Argent Advisors, Inc.

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ADV Part 2A, Firm Brochure

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This brochure provides information about the qualifications and business practices of Argent Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (318) 324-8000 or cbrown@argentadvisors.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 Argent Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Argent Advisors, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the most recent annual update filing made on March 24, 2020, there have been no material changes made to this Brochure.

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Item 4 **Advisory Business**

A. Argent Advisors, Inc. (the “Registrant”) is a corporation formed in January 1996 in the state of Louisiana. The Registrant became registered as an investment adviser firm in April 2004 and became a registered Municipal Advisor in 2018. The Registrant is principally owned by Argent Financial Group, Inc. Mike Jones is the Registrant’s President.

B.

INVESTMENT ADVISORY SERVICES

The Registrant provides discretionary investment advisory services on a *fee* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management. When consistent with a client’s stated investment objectives, Registrant may also allocate client’s investment assets among one or more mutual fund asset allocation programs as fully described in Item 8 below.

In addition to the investment advisory services that it provides directly to its clients, Registrant may also provide sub-advisory services to other investment advisers and/or trust entities, including independent affiliates of Argent Trust Company (“ATC”), as well as Argent Trust related affiliates. ATC and Registrant are wholly owned subsidiaries of Argent Financial Group. ATC may provide portfolio management services for advisory accounts custodied at ATC as well as those accounts custodied elsewhere. In addition, Registrant may utilize the services of other independent investment advisers pursuant to a sub-advisory agreement between the Registrant and the independent investment adviser.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

The Registrant provides financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant’s planning and consulting fees are negotiable depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including certain of the Registrant’s representatives in their individual capacities as registered representatives of LPL Financial Corporation (“LPL”) and/or licensed insurance professionals. (See disclosures at Item 10.C. below). Clients are under no obligation to engage the services of any such recommended professional. Clients retains absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from the Registrant.

If a client engages an unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional, and **not** Registrant, shall be responsible for the quality and competency of the services

provided. The preceding sentence shall not limit or waive any applicable rights under federal or state law, including securities laws and fiduciary obligations that cannot be limited or waived.

It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by a client, the Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc.

The Registrant does not serve as an attorney or accountant, and no portion of our services should be construed as legal or accounting services. Accordingly, the Registrant does not prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including representatives of Registrant in their separate individual capacities as representatives of *LPL* and/or as licensed insurance agents. Clients are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s], and not Registrant, shall be responsible for the quality and competency of the services provided. The preceding sentence shall not limit or waive any applicable rights under federal or state law, including securities laws and fiduciary obligations that cannot be limited or waived.

Municipal Advisor. The Registrant is registered with the SEC and MSRB as a municipal advisor. In such capacity the Registrant can provide consulting services to municipalities, generally regarding municipal funding needs.

Sub-Advisory Arrangement. The Registrant has entered into a sub-advisory agreement with *ATC*. *ATC* is an affiliated custodian and trust company.

The Registrant has engaged *ATC* specifically to maintain the MAP program the Registrant makes available to its clients. As a sub-advisor, *ATC* shall have discretionary authority for the day-to-day management of the assets that are allocated to it by the Registrant. *ATC* shall continue in such capacity until the arrangement is terminated or modified by the Registrant. The Registrant shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services.

Retirement Plan Rollovers – No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in

the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant.

Use of Mutual and Exchange Traded Funds. Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, they will not receive Registrant's initial and ongoing investment advisory services. In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant maintains cash positions for defensive purposes. All cash positions (money markets, etc) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee and will be subject to the same fee schedule as set forth above for fixed income.

Inverse/Enhanced Market Strategies. The Registrant may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for their accounts.

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant’s previous recommendations and/or services.

Disclosure Brochure. A copy of the Registrant’s written Brochure as set forth on Part 2A of Form ADV as well as a copy of the Registrant’s Client Relationship Summary as set forth on Form CRS shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant’s services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2020, the Registrant had \$1,073,723,799 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The Registrant provides discretionary investment advisory services on a *fee* basis. The Registrant’s annual investment advisory fee is negotiable and may vary depending upon various objective and subjective factors, but is generally charged according to the following fee schedule*:

<u>Account Type</u>	<u>Assets Under Management</u>	<u>Annual Fee</u>
Standard Portfolio Management:	First 500,000	1.25%
MAP Managed, Retirement Builder,	Next 500,000	1.00%
Prime/Prime Plus, Dividend Rotation,	Next 1,000,000	0.90%
Individually Managed Accounts	Over 2,000,000	0.70%
Dynamic Asset Models:	First 1,000,000	2.00%
Momentum Select	Next 4,000,000	1.00%
<i>Plus \$20 per month operations fee</i>	Over 5,000,000	0.80%
Prime Dynamic	First 1,000,000	1.50%
	Over 1,000,000	1.25%

Public Funds Management:	First	10,000,000	0.20%
	Next	10,000,000	0.175%
	Over	20,000,000	0.15%
	Over	25,000,000	Negotiated

The Registrant's investment advisory fee is negotiable at Registrant's discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with the Registrant and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

Accounts custodied at ATC - \$240 base fee and \$350.00 minimum annual fee may apply. ATC reserves the right to charge reasonable fees for services, duties and responsibilities undertaken in connection with Public Funds Management. Additional fees of up to \$300.00 per hour may be charged.

Accounts custodied at SEI Private Trust - \$15.00 quarterly fee may be charged for accounts with a balance less than \$50,000.

Accounts custodied at Fidelity - \$50 annual base fee may be charged.

The Registrant may recommend certain clients open accounts at American Fund for the sole purpose of holding American Fund funds. The recommendation to open these accounts shall generally be limited to clients with less than \$100,000 in assets under management or those clients already holding American Fund funds. Due to certain limitations within these accounts, the Registrant's advisory fee shall be discounted by 25 basis points.

*Please refer to Item 5.C. below with respect to additional service fees and charges that clients incur in addition to the investment advisory fees generally described above.

Custom Service Fees

IRA's - \$50.00 annual maintenance and 5498 reporting fee (ATC only)
 \$75.00 Calculation of required minimum distribution (RMD) (ATC only)

Unique Assets – (real estate, closely held companies, etc.) a setup fee and annual maintenance fee will apply. Annual out-of-pocket expenses and appraisal fees may also apply. Please contact our office for details.

Other Services – such as ongoing retirement or financial planning, budget assistance, bill paying, special requests, etc. can be performed by your Advisor. These additional services may affect the rates listed in the basic fee schedule above or may be billed at a rate of \$150 per hour.

Argent Trust Company, our affiliated custodian, receives service fees of up to 25 basis points (one quarter of 1 percent) on money market and select mutual fund balances. ATC custody fees are included in the pricing above.

SEI Investments Management Co (“*SEP*”) charges 15 basis points for Non-SEI Third Party Assets for Transaction Fee (TF) funds, ETFs, and Securities in Client Directed Portfolios. The fee will never be more than \$1,000 per year per household/account.

SEI Asset Based Pricing Arrangement – SEI charges an additional 15 basis points up to a maximum of \$1000 per account on all SEI funds. All SEI funds, within the models, are institutional with no additional charge.

Trading Fees

Trading fees vary by custodian, please ask your Advisor for specific trading information.

Although Registrant allocates client assets consistent with the client’s designated investment objective, the fact that the Registrant earns a higher fee for certain account types as referenced in the above fee schedule, is a conflict of interest since the Registrant has an economic incentive to recommend a higher fee-paying type account. The Registrant’s Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding this conflict of interest.

Additional Performance Measurement Charge. In addition to the above fees/charges, all clients will incur the same fixed monthly charge to reimburse the Registrant for the costs of Black Diamond performance measurement technology, regardless of the size of the account. Therefore, smaller accounts will be disproportionately affected.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

The Registrant provides financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant’s planning and consulting fees are negotiable, but are generally \$150 on an hourly rate basis or between \$1,000 and \$5,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant’s advisory fees deducted from their custodial account. Both Registrant’s *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant’s investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant’s invoice. The Registrant shall deduct fees and/or bill clients monthly in arrears based upon the market value of the assets on the last business day of the previous month.
- C. The Registrant may recommend particular broker-dealers and/or custodians for client investment management assets, including *ATC*, an affiliated trust company (See Item 10.C.5 below) and/or Fidelity Investments (“*Fidelity*”). Broker-dealers such as *ATC* and *Fidelity* charge brokerage commissions and/or transaction fees for effecting certain securities transactions. Clients will incur, in addition to Registrant’s investment

management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual debt and/or equity transactions may be effected through broker-dealers with whom Registrant has entered into arrangements for prime brokerage clearing services.

In addition to the above: clients whose accounts are custodied with SEI are charged an additional 15 basis point fee on third-party (non-SEI) assets maintained by the client. Furthermore, clients custodied at SEI who maintain less than \$50,000 under management may incur a \$15.00 quarterly fee. SEI Accounts custodied at ATC may be subject to a minimum annual fee of \$350. Clients custodied at SEI may also elect to receive advanced reporting services, for an addition cost of \$25 per year. Accounts custodied at Fidelity are subject to a \$50 annual base fee. With respect to Individual Retirement Accounts, the Registrant charges an annual fee of \$50.00 for account maintenance and Form 5498 reporting, an annual fee of \$75.00 for calculation of required minimum distribution amounts; an annual fee of \$250 for unique asset set up, monitoring, and appraisal evaluation; and a \$25.00 charge for every outgoing wire transfer request.

For those clients who elect to custody their investment management assets with ATC, ATC shall receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. ATC and Registrant are wholly owned subsidiaries of Argent Financial Group. (See Item 10.C below). The recommendation that a client custody their investment management assets with ATC presents a material conflict of interest, as ATC, an affiliated entity receives custodial fees, per trade transaction fees, rebates and a shareholder services fee. In addition, certain of the investment models utilized may also pay 12b-1 fees. Registrant's related persons may indirectly benefit from the payment of these fees to ATC. This indirect benefit may provide an incentive to recommend ATC as a custodian based on economic benefits, rather than on a particular client's need. No client is under any obligation to engage ATC as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians.

- D. Registrant's annual investment advisory fee shall be prorated and paid monthly, in arrears, based upon the market value of the assets on the last business day of the previous month. The Registrant generally requires an annual minimum fee of \$350 for accounts custodied at ATC. The Registrant, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fees requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition negotiations with client, etc.).

As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the client shall remain responsible for payment for all services rendered by the Registrant prior to the date of termination.

E. **Commission Transactions.** In the event that the client desires, the client can engage certain of the Registrant's representatives, in their individual capacities as registered representatives of LPL Financial Corporation ("*LPL*"), an SEC registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *LPL*, *LPL* will charge brokerage commissions to effect securities transactions, a portion of which commissions *LPL* shall pay to Registrant's representatives, as applicable. The brokerage commissions charged by *LPL* may be higher or lower than those charged by other broker-dealers. In addition, *LPL*, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from *LPL* presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from *LPL*.
2. Clients may purchase investment products recommended by Registrant through other, non-affiliated broker dealers or agents.
3. The Registrant does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the Registrant recommends to its clients.
4. When Registrant's representatives sell an investment product on a commission basis, the Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Registrant's representatives do not also receive commission compensation for such advisory services. However, a client may engage the Registrant to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Registrant's representatives on a separate commission basis.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, trusts, estates, charitable organizations and government municipalities.

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

- A. The Registrant shall utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

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

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

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

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity and fixed income securities, mutual funds and/or exchange traded funds on a discretionary basis in accordance with the client's designated investment objective(s).

Registrant may allocate investment management assets of its client accounts, on a discretionary basis, among one or more mutual fund asset allocation programs. The mutual fund asset allocation programs comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to Registrant's management of client assets:

1. **Initial Interview** – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** – the client's account is managed on the basis of the client's financial situation and investment objectives;
3. **Quarterly Notice** – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;
4. **Annual Contact** – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account.
5. **Consultation Available** – the Registrant shall be reasonably available to consult with the client relative to the status of the client's account;
6. **Quarterly Statement** – the client shall be provided with a quarterly report for the account for the preceding period;
7. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
8. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
9. **Separate Account** - a separate account is maintained for the client with the Custodian; and
10. **Ownership** – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

These allocation models include the following:

Argent Advisors Standard Portfolio Management Portfolios

Retirement Builder

Retirement Builder portfolios offer more diversified asset allocation to meet client objectives. Stock, bond, ETF, mutual fund, and cash positions will be allocated based on market and economic conditions. Additional asset classes including commodities, real estate and managed futures may be used to fully diversify Retirement Builder portfolio. The portfolios will also use mutual funds that give the managers of those funds more flexibility in making asset allocation calls.

Prime ETF – The theory behind PRIME ETF is that participation in the stock and bond market should be made through a disciplined, diversified approach. The model mainly uses non-commission indexed ETFs to meet its objectives. Clients select from six different PRIME ETF models based on their return objectives and risk attitudes. The Registrant uses generally Passive Asset Allocation to adjust the percentages of the client’s holdings based on market conditions. This process spreads investor dollars between several different asset types. The Registrant may under or over-weight asset classes based on market outlook.

Prime – The theory behind PRIME is that participation in the stock and bond market should be made through a disciplined, diversified approach. The model uses mutual funds and ETFs to meet its objectives. Clients select from six different PRIME models based on their return objectives and risk attitudes. The Registrant uses Active Asset Allocation to adjust the percentages of the client’s holdings based on market conditions. This process spreads investor dollars between several different asset types. The Registrant may under or over-weight asset classes based on market outlook.

Managed Asset Portfolio (“MAP”) – MAP employs top-performing no-load (or load waived) funds, diversification and asset allocation to provide clients active market participation in good markets and a less volatile portfolio in down markets. Clients in MAP can select from six different models as determined by risk attitudes and return objectives. Models range from all income to all equity mutual funds. Through asset allocation, the percentages of holdings are adjusted, based on market conditions. The process of asset allocation will spread investor dollars between several different asset classes and may be overweight or underweight based on market outlook. MAP models are managed by *ATC*. (See Item 10.C below)

Dividend Focus I and II - For many years now Morningstar has provided research on dividend paying stocks. Argent Advisors has chosen to subscribe to their research and use their recommendations as a starting point and primary buy list to build two dividend models. The registrant offers two models built around the concept of dividend investing. Dividend Focus I will be utilized for retail fiduciary accounts which seek high quality stocks that pay attractive, reliable, and growing cash dividends. This model will exist for accounts that can hold 15 to 20 stocks. In order to maintain a balance among industry sectors and allocate some funds internationally, a small number of the holdings in this model will come from our own fundamental research. Dividend Focus II will be for larger portfolios which can hold most, if not all, of the stocks recommended by Morningstar in their dividend select research. It also exists to provide high quality stocks that pay attractive, reliable and growing cash dividends and it too can hold a small number of the holdings which will come from our own fundamental research.

Core Equity – Core is a Portfolio of large cap, blue chips stocks. It consists of around 35 diversified holdings which are predominantly US based companies with stronger balance sheets. While a high dividend yield is not a primary objective, it is expected that the portfolio will generate a yield at or slightly higher than the market average. Some overweighting and underweighting of sectors will occur based on valuation and anticipated economic conditions. Cash positions will generally be less than 5 percent.

Fixed Income Only Fund Models - These models will utilize highly rated bond funds and some bond-like alternative funds to generate maximum income with low volatility. The funds will be chosen based on the rigorous screening criteria employed by Argent Advisors. Income investors are very conservative and require maximum income from their investments. Since these models contain no equity exposure, growth will be minimal but volatility should also be very low. Short term volatility will come from changes in bond prices due to interest rate fluctuations, effects of inflation, etc. The Income Only - Total Return model will be a traditional bond portfolio of 70% Investment Grade and 30% Alternative allocation. The Income Only - Safety of Principal model will be a short duration model designed to offer a higher yield than Bank CD's but with very low volatility.

Individual Managed Portfolio – On occasion, some portfolios will use assets outside of the models listed above. These assets will generally be used to obtain specific portfolio needs and objectives, such as high income, tax free, etc. The securities will be selected from our *Buy List*.

Wealth Builder-Stability & Growth Focused Portfolios – The conviction underlying these portfolios is that investing in financial assets is best accomplished through a well-reasoned philosophy based on diversification across asset classes combined with tactical adjustments. Tactical adjustments are made when research indicates a particular asset class or classes are overbought or oversold. The custodian for these portfolios is SEI. Over the past 50 years, SEI has provided thought leadership & innovation in the areas of asset allocation, portfolio design & manager selection.

Argent Advisors Dynamic Asset Allocation Portfolios

The Registrant primarily serves individual/retail investors. By definition, individual investors have shorter time frames in which to accomplish their investment goals. These time horizons are considerably shorter than those of institutional investors. To accommodate the enhanced sensitivity to risk that accompanies shorter investment time horizons The Registrant offers dynamic asset allocation programs. While active management tends to make some adjustments in percentages of client holdings based on market conditions, dynamic portfolio management makes larger portfolio modifications.

The term dynamic can connote different meanings. The Registrant differentiates active from dynamic investment management in two distinct ways. The first discipline which we employ is to analyze major asset classes like stocks, bonds, and cash and increase or reduce allocations to those areas based on global macro-economic conditions and fundamental analysis. The second discipline utilized is to employ technical analysis for the purpose of observing trends and performance of approved portfolio models. When portfolio models exhibit characteristics which deviate from expected risk adjusted returns then portfolio modifications are made with the expressed desire to minimize loss of principal and maximize long-term performance over an entire business cycle.

Momentum Select®

Momentum Select® is a dynamic asset allocation strategy. The portfolios will be invested in mutual funds and ETFs. As a result, assets held in the Portfolio will be liquid. The investment structure of the various Momentum Select® Portfolios is essentially the same in concept, yet different in application. Investment decisions are made based on determining an appropriate asset allocation for each Investor and modifying that asset allocation as risk and asset performance dictates. Trend analysis is then employed to determine the risk profile of each Momentum Select® Portfolio.

It is the dynamic selection of asset classes which signifies the highest risk and potential return of a portfolio. On occasion the current selection of assets will be more conservative than a static asset allocation model. On other occasions it could be more aggressive than a static asset allocation model. As a result multiple model portfolios are currently available for application. They range in category from the following: conservative, moderately conservative, moderate (2), and moderately aggressive. We have labeled these models as follows: Strategic Fixed Income, Conservative Wealth Management, Dynamic Balanced, Quality Cash Flow, and Strategic Growth.

Momentum Select may also employ alternative investments. An Alternative investment is an asset that is not one of the conventional types, such as cash, fixed income and equities or one that utilizes these asset classes in unconventional ways. Alternative investments typically have a low correlation with those standard asset classes which makes them suitable for portfolio diversification.

In addition, a portion of the Portfolio could be allocated to non- U.S. securities providing further diversification. This additional diversification is expected to have a moderating effect on the volatility of portfolio returns.

Dynamic Portfolio

Prime Dynamic

At its core, Argent Advisors, Inc. specializes in asset allocation. We construct investment models to match global asset allocation themes with customer investment objectives and goals. These models are constantly evaluated and managed to position assets according to the risk profile and investment objectives communicated by the client. This involves a moderate amount of repositioning. The Prime dynamic models takes this process one step further. Statistical analysis is employed to determine the risk profile of each Prime Dynamic model. When portfolio models exhibit characteristics which deviate from expected risk adjusted returns then portfolio modifications are made with the expressed desire to minimize loss of principal and maximize long-term performance over an entire business cycle. The investment manager of the Prime Dynamic model relies heavily on trend analysis to determine if and when to make portfolio adjustment.

Prime Dynamic may also employ alternative investments. An Alternative investment is an asset that is not one of the conventional types, such as cash, fixed income and equities or one that utilizes these asset classes in unconventional ways. Alternative investments typically have a low correlation with those standard asset classes which makes them suitable for portfolio diversification.

In addition, a portion of the Portfolio could be allocated to non- U.S. securities providing further diversification. This additional diversification is expected to have a moderating effect on the volatility of portfolio returns.

Item 9 Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

- A. As disclosed above in Item 5.E, certain of Registrant’s representatives are also registered representatives of LPL Financial Corporation (“*LPL*”), an SEC registered and FINRA member broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Registered Representatives of LPL.** As disclosed above in Item 5.E, certain of Registrant’s representatives, are registered representatives of *LPL*, an SEC Registered and FINRA member broker-dealer. Clients may choose to engage Barry Guinn, Stephen R. Braddock, Trey Curtis and/or Kathy Hopkins in their individual capacities as registered representatives of *LPL*, to implement investment recommendations on a commission basis.

Affiliated Investment Companies. Argent Financial Group, the Registrant’s principal owner, is also the sole owner of Argent Fiduciary Consulting Services, LLC (provides consulting and compliance services to trust companies and registered investment advisers), Argent Retirement Plan Advisors, LLC (affiliated SEC registered investment adviser firm and Municipal Advisor), Wynden Capital Management, LLC (affiliated Georgia state registered investment adviser firm), Argent Trust Company of Oklahoma (an Oklahoma Trust Company), Argent Insurance Services, LLC (insurance), Argent Mineral Management, LLC (oil and gas, lease management, timber property management, etc.), Argent Advisors Leasing Services, LLC (an employment leasing company), Ameritrust Investment Advisers Inc. (an Oklahoma state registered investment advisory firm), and Argent Trust Company (custodian and trust services) (**See** below concerning Argent Trust Company). There may be instances when portfolio managers may purchase municipal bonds for advisory accounts in issues where Institutional Services (a department of Argent Trust) serves as trustee and / or paying agent /registrar.

In certain circumstances, Registrant’s Associated Persons may refer clients to entities owned by Argent Financial Group, including those referenced in the immediately preceding paragraph. Those entities may provide services to the client, which are not investment-related.

The recommendation that a client utilize the services of the above referenced affiliated entities presents a material conflict of interest, as the associated person making the referral to any of the above entities can receive referral fees from that affiliated entity. In addition, affiliated entities may enter into a referral agreement with Registrant. In so doing, the affiliated entity making the referral can receive referral fees from the Registrant. Clients are under no obligation to engage the services of such affiliated entities.

The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Heritage Capital Management, Inc. Registrant's associated person, Dean Mailhes is also President and owner of Heritage Capital Management, an investment advisory firm registered with the State of Louisiana. Additionally, Vaughn Antley is an investment advisor representative with Heritage Capital Management, Inc.

Argent Trust Company. As previously stated, *ATC* and the Registrant are both wholly owned subsidiaries of Argent Financial Group. The Registrant is not operationally independent of *ATC*, the affiliated custodian. *ATC* maintains a segregated account for each account it custodies. The Registrant has developed and implemented policies and procedures to minimize risks to client accounts. An independent auditing firm will conduct an annual surprise examination to verify client funds and securities. Moreover, *ATC* is subject to an annual audit, which is conducted by an independent auditing firm and will include an opinion evaluating the internal controls relating to the custody of client assets. A copy of the report can be provided upon written request.

Registrant may recommend that clients custody assets with *ATC*. *ATC* and Registrant are both wholly owned subsidiaries of Argent Financial Group. Certain of *ATC* (a wholly owned subsidiary of Argent Financial Group) employees may also be employed with Registrant. If the client determines to utilize *ATC* for custody, Registrant may purchase through *ATC* certain mutual funds. In these circumstances, in addition to custodial fees and/or transaction fees, *ATC* will also receive a shareholder services fee. This arrangement presents a material conflict of interest.

The recommendation that a client custodies their investment management assets with *ATC* presents a material conflict of interest, as *ATC*, an affiliated entity shall receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. In addition, certain of the investment models utilized may also pay 12b-1 fees. Registrant's related persons *may* indirectly benefit from the payment of these fees to *ATC*. This indirect benefit may provide an incentive to recommend *ATC* as a custodian based on economic benefits, rather than on a particular client's need. No client is under any obligation to engage *ATC* as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians.

The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Licensed Insurance Agency/Agents. Argent Insurance Services, LLC is an affiliated licensed insurance agency. Dean Mailhes, Michael R. Jones, Byron R. Moore, Barry Guinn, Trey Curtis, Kathy Hopkins and/or Randy Braddock, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Registrant's representatives to effect insurance transactions on a commission basis.

Conflicts of Interest: The recommendation by either Dean Mailhes, Michael R. Jones, Byron R. Moore, Barry Guinn and/or Trey Curtis that a client purchase a securities or insurance commission product presents a material conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Dean Mailhes, Michael R. Jones, Byron R. Moore, Barry Guinn, and/or Trey Curtis. Clients are reminded that they may purchase securities and/or insurance products recommended by Registrant through other, non-affiliated professionals. The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

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

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Generally, neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest. However, upon the specific request of a client, the Registrant and/or related persons of the Registrant may recommend the sale of securities in which the Registrant and/or a related person of the Registrant has a material financial interest. Registrant's clients are under absolutely no obligation to consider or make an investment in securities in which the Registrant and/or a related person of the Registrant has a material financial interest. The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

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

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *ATC*, an affiliated trust company and/or *Fidelity*. (See Item 10.C above). The Registrant may determine to use the brokerage services of LPL financial for trading. No commissions generated from these trades shall result in any compensation for Barry Guinn, Stephen R. Braddock, Trey Curtis or Kathy Hopkins. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *ATC* and/or *Fidelity* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/ transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

The recommendation that a client custodies their investment management assets with *ATC* presents a material conflict of interest, as *ATC*, an affiliated entity shall receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. In addition, certain of the investment models utilized may also pay 12b-1 fees. Registrant's related persons *may* indirectly benefit from the payment of these fees to *ATC*. This indirect benefit provides an incentive to recommend *ATC* as a custodian based on economic benefits, rather than on a particular client's need. No client is under any obligation to engage *ATC* as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians. The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, investment manager, platform and/or mutual fund sponsor, Registrant receives from broker-dealers and/or custodians, investment manager, platform and/or mutual fund sponsor, without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to broker/dealers and/or custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly

acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, annual investment reviews are completed by each investment advisor and submitted to compliance for review. Any issues are presented to the Board for review and possible action. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.1 above, the Registrant receives an indirect economic benefit from broker-dealers and/or custodians (i.e. *Fidelity*). The Registrant, without cost (and/or at a discount), may also receive support services and/or products from broker-dealers and/or custodians.

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

The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.

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

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a monthly or quarterly basis. Clients are provided, at least quarterly, with regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Custody Situations: The Registrant engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Registrant to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

Registrant's Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name for found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc).

Item 17 Voting Client Securities

Unless the client directs otherwise in writing, for all accounts with transaction authority the Registrant is responsible for voting client proxies in conjunction with the proxy voting administrative and due diligence services provided by Proxy Edge, an unaffiliated nationally recognized proxy voting service of Broadridge Financial Solutions, Inc.

Registrant, in conjunction with the services provided by Broadridge Financial Solutions, Inc., shall monitor corporate actions of individual issuers and investment companies consistent with Registrant's fiduciary duty to vote proxies in the best interests of its clients. With respect to individual issuers, Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Registrant (in conjunction with the services provided by Broadridge Financial Solutions, Inc.) shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206 (4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer, Carrie Brown.

Class Action Lawsuits

In addition, Registrant has also contracted with Broadridge as provider to file Class Actions "Proof of Claim" forms.

Occasionally, securities held in the accounts of clients will be the subject of class action lawsuits. Registrant has retained the services of Broadridge to provide a comprehensive review of clients' possible claims to a settlement throughout the class action lawsuit process. Broadridge actively seeks out any open and eligible class action lawsuits.

Additionally, Broadridge files, monitors and expedites the distribution of settlement proceeds in compliance with SEC guidelines on behalf of our clients.

As compensation, Broadridge may retain a portion of the proceeds from successfully Class Actions. Clients may elect to opt out of this service provided by Broadridge.

Item 18 Financial Information

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

The Registrant's Chief Compliance Officer, Carrie Brown, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.