

# FUSION FAMILY WEALTH, LLC

SEC File # 801-78339



ADV Part 2A, Brochure

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**This Brochure provides information about the qualifications and business practices of Fusion Family Wealth, LLC (the “Registrant”). If you have any questions about the contents of this Brochure, please contact us at [BStanton@FusionFamilyWealth.com](mailto:BStanton@FusionFamilyWealth.com) or (516) 206-1320. 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 Fusion Family Wealth, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Fusion Family Wealth, LLC 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**

There have been no material changes made to this Disclosure Brochure since the last filing and distribution to clients.

ANY QUESTIONS: The Registrant’s Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding this Form ADV Part 2A, including the disclosure additions and enhancements below.

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## **Item 4            Advisory Business**

- A. Fusion Family Wealth, LLC (the “Registrant”) is a Delaware limited liability company, which has been registered as an Investment Adviser with the United States Securities and Exchange Commission on July 25, 2013. The Registrant is principally owned by Fusion Family Wealth Holdings, LLC. That entity is principally owned by FFW, Legacy, LLC, which is principally owned by Jonathan Blau, who also serves as the Registrant’s sole Member and Chief Executive Officer.
- B. As discussed below, the Registrant offers investment advisory services and retirement plan consulting services to its clients (generally comprised of individuals, high net worth individuals, related trusts and estates, pension, and profit-sharing plans, etc.).

### **INVESTMENT ADVISORY SERVICES**

The client can engage the Registrant to provide discretionary or non-discretionary investment advisory services. 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. Before engaging the Registrant to provide investment advisory services, clients are required to enter into an Investment Advisory 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 fee that is due from the client. Registrant’s annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client and accepted by the Registrant, financial planning and consulting services. If Registrant determines in its sole discretion that the client requires extraordinary planning and/or consultation services, the Registrant may seek to charge for such additional services pursuant to a stand-alone *Financial Planning Agreement* as further described below.

Registrant provides investment advisory services specifically tailored to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives and develop an asset allocation based on a defined investment policy statement that focuses on client’s investment objectives, time horizon, and risk tolerance. Once client investment assets are allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client-designated investment objectives and may execute or recommend execution of account transactions as a result of those reviews or based on other triggering events.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant may determine to provide 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). Before 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 before Registrant commences services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes (i.e., attorney, accountant, insurance agent, etc.), including professionals who serve as a promoter for the Registrant-*see* disclosure at Item 14 below. The client is under

no obligation to engage the services of any such recommended professional. At all times, the engaged licensed professionals (i.e., attorney, accountant, insurance agent, etc.), and **not** Registrant, shall be responsible for the quality and competency of the services provided. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

#### **ERISA PLAN and 401(k) INDIVIDUAL ENGAGEMENTS:**

- **Trustee Directed Plans.** Registrant may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Registrant will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 (“ERISA”). Registrant will generally provide services on an “assets under management” fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.
- **Participant Directed Retirement Plans.** Registrant may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Registrant and the plan. For such engagements, Registrant shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Registrant), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision-making process.
- **Client Retirement Plan Assets.** If requested to do so, Registrant shall provide investment advisory services relative to the client’s 401(k) plan assets. In such event, Registrant shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. The client is exclusively responsible for making all transactions. Registrant’s ability shall be limited to making recommendations regarding the allocation of the assets among the investment alternatives available through the plan. Registrant will not receive any communications from the plan sponsor or custodian, and it shall remain the client’s exclusive obligation to notify Registrant of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

#### **MISCELLANEOUS**

**Limitations of Non-Investment Consulting/Implementation Services.** To the extent requested by a client, 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 a law firm, accounting firm, or insurance agency, and no portion of Registrant’s services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant **does not** prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, etc.), which may include professionals who serve as a promoter for the Registrant-*see* disclosure at Item 14 below. Clients are reminded that they 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 made by Registrant or its representatives. **Please Note:** If the client engages any recommended professional, and a dispute arises thereafter relative to such engagement, the client should

seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professionals (i.e., attorney, accountant, insurance agent, etc.), and **not** Registrant, shall be responsible for the quality and competency of the services provided. **Please Note:** Registrant will generally provide such planning and consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). Registrant believes that it is important for the client to address financial planning issues with the Registrant on an ongoing basis. Registrant's fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address planning issues with Registrant. Registrant remains available to address planning issues with the client on an ongoing basis.

**Wealth Advisor Growth Network.** Registrant's indirect minority shareholder, Merchant Wealth Partners, LLC, maintains a minority ownership interest in Wealth Advisor Growth Network ("WAGN"), a company that offers consulting and support services to independent wealth management firms. Fusion has engaged a service provider (LibertyFi LLC, an advisory industry technology and administrative services support provider) that compensates WAGN for introductions. Fusion's Chief Compliance Officer, Brett Stanton, remains available to address any questioning that such arrangements may create, including conflicts of interest.

**Investment Risk.** 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 Registrant) will be profitable or equal any specific performance level(s).

**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 this Brochure shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

**Non-Discretionary Service Limitations.** Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot affect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to affect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent. This could place affected accounts at a disadvantage.

**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, market conditions, 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. The advisory fees described in Item 5 below remain due and payable during periods of account inactivity.

**Asset Aggregation / Reporting Services.** Registrant may provide access to reporting services through one or more third-party aggregation / reporting platforms that can reflect all of the client's investment assets, including those investment assets that the client has not engaged the Registrant to manage (the "Excluded Assets"). Registrant's service for the Excluded Assets is strictly limited to reporting, and specifically excludes investment management or implementation. Because Registrant does not have trading authority for the Excluded Assets, the client (and/or another investment professional), and not Registrant, will be exclusively responsible for directly implementing any recommendations for the Excluded Assets. Please refer to Item 5 below with respect to the additional reporting fee that clients may incur for the Excluded Assets. Further, the client and/or their other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance or related activity (such as timing and trade errors) pertaining to the Excluded Assets. The third-party aggregation / reporting platforms may also provide access to financial planning information and applications, which should not be construed as services, advice, or recommendations provided by Registrant. Accordingly, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the third-party reporting platforms without Registrant's participation or oversight.

**Availability of Mutual Funds and Exchange Traded Funds.** While the Registrant may allocate investment assets to mutual funds and exchange traded funds ("ETFs") that are not available directly to the public, the Registrant may also allocate investment assets to publicly available mutual funds and ETFs that the client could purchase without engaging Registrant as an investment adviser. However, if a client or prospective client determines to purchase publicly available mutual funds or ETFs without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services with respect to management of the asset. 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).

**Cybersecurity Risk.** The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified

custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**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 Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer’s plan or an existing IRA), Registrant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant, whether it is from an employer’s plan or an existing IRA.** Registrant’s Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

**Independent Managers.** The Registrant may allocate (and/or recommend that the client allocate) a portion of a client’s investment assets among unaffiliated independent investment managers / separately managed account platforms (“Independent Manager(s)”) in accordance with the client’s designated investment objectives according to the terms and conditions of a separate agreement between the client and the Independent Manager(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The Registrant generally considers the following factors when considering its recommendation to allocate investment assets to Independent Manager(s): the client’s designated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The annual investment management fee charged by the Independent Manager(s) can range from 0.17% to 0.53% of the assets allocated to the Independent Manager(s). Fees for equity managers are generally higher than those for fixed income managers. The applicable advisory fee charged by the Independent Manager(s), any related platform fee, “SMA” fee, “UMA” fee, “TAMP” fee, or similarly named fee is separate from, and in addition to, the Registrant’s investment advisory fee as set forth in Item 5. Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than Registrant. In such instances, Registrant may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s). **ANY QUESTIONS:** The Registrant’s Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding Independent Manager(s), and the additional fees to be incurred by the client as result of such engagements.

**Please Note: Conflict of Interest:** Registrant can allocate (or recommend that the client allocate) assets to Piton Management (“Piton”), an independent fixed income manager. Registrant’s minority shareholder, Merchant Wealth Partners, LLC (“Merchant”), maintains a minority ownership interest in Piton, thereby creating a

conflict of interest if/when the Registrant allocates (or recommends that the client allocate) a portion of their investment assets to Piton. Registrant does not factor Merchant's ownership in Piton when allocating client assets to, or retaining assets with, Piton. Given the conflict of interest, the Registrant shall not allocate client assets to Piton on a discretionary basis. Rather, the Registrant shall recommend Piton to the client on a non-discretionary basis, and no portion of the client's assets shall be allocated to Piton without the client's prior consent. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding Piton and the above referenced conflict of interest.

**Custodian Charges-Additional Fees.** As discussed below at Items 5 and 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that *Fidelity* or *Pershing* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Fidelity* and *Pershing* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees, which also slightly differ for mutual fund and Independent Managers at *Fidelity* vs. *Pershing*) shall differ depending upon the broker-dealer/custodian (while certain custodians do not currently charge fees on individual equity transactions (including ETFs), others do). Currently, neither *Fidelity* nor *Pershing* charges transaction fees for individual equity transactions (including ETFs), with the exception that *Fidelity* will charge a transaction fee of \$0.01 per share for equity transactions in excess of 10,000 shares. *Pershing* will also assess fees to clients who elect to receive account statements by regular mail rather than electronically. *Pershing* currently charges \$2 per hard copy statement. **Please Note:** there can be no assurances that either *Pershing* or *Fidelity* will not change their transaction fee pricing in the future. These fees/charges are in addition to Registrant's investment advisory fee at Item 5 below. Registrant does not receive any portion of these fees/charges. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above.

**Cash Sweep Accounts.** Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion, Fusion shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund available on the custodian's platform, unless Fusion reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. **Please Note:** The above does not apply to the cash component maintained within a Fusion actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. **Please Also Note:** The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any Fusion unmanaged accounts. **ANY QUESTIONS:** Fusion's Chief



Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above.

**Unaffiliated Private Investment Funds.**

Registrant does not recommend that its clients purchase private investment funds. However, the Registrant will assist the client with the purchase of same upon express request. Upon such request, the Registrant, on a non-discretionary basis, shall present prospective private funds to the client for the client's review and consideration. Registrant's role relative to unaffiliated private investment funds shall be limited to its initial and ongoing review and investment monitoring services. If a client determines to become an unaffiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's fee shall be in addition to the fund's fees. **Registrant's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).**

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that the client is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, Registrant shall calculate its fee based upon the latest value provided by the fund sponsor.

**Conflict of Interest:** To assist with identifying funds for the client's review and consideration, the Registrant shall use the private fund due diligence and platform services provided by Opto Investments ("Opto"). Registrant's minority shareholder, Merchant Wealth Partners, LLC ("Merchant"), maintains a minority ownership interest in Opto, thereby creating a potential conflict of interest (i.e., Opto will derive compensation from private funds that are available on its platform). **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Brett Stanton, remains available to address and questions regarding Opto and the above referenced conflict of interest.

**Cash Positions.** Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. 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), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.

**Borrowing Against Assets/Risk.** A client who has need to borrow money could determine to do so by using:

- **Margin** – The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and
- **Pledged Assets Loan** – In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Fusion does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). Fusion does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Fusion:

- By taking the loan rather than liquidating assets in the client's account, Fusion continues to earn a fee on such Account assets; and,
- If the client invests any portion of the loan proceeds in an account to be managed by Fusion, Fusion will receive an advisory fee on the invested amount; and,
- If Fusion's advisory fee is based upon the higher margined account value, Fusion will earn a correspondingly higher advisory fee. This could provide Fusion with a disincentive to encourage the client to discontinue the use of margin.

**Please Note:** The client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loan.

- C. The Registrant provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will

ascertain each client’s investment objectives. 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, 2023, the Registrant had \$1,013,196,413 in Client assets, \$998,832,736 of which are managed on a discretionary basis and \$14,363,677 on a non-discretionary basis. Clients may request more current information at any time by contacting the Registrant.

**Item 5 Fees and Compensation**

- A. Registrant offers its services on a fee basis, meaning that clients pay an annual fee based upon assets under management and/or advisement as described below.

**INVESTMENT ADVISORY SERVICES**

If a client chooses to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee basis, the Registrant’s annual investment advisory fee shall be generally based upon a percentage (%) of the market value of assets under management according to the following fee schedule:

| <u>Market Value of Portfolio</u>            | <u>Annual Fee*</u> |
|---|--------------------|
| Under \$3,000,000                           | 1.10%              |
| Over \$3,000,000 but less than \$10,000,000 | 0.95%              |
| Above \$10,000,000                          | 0.80%              |

Client accounts will be aggregated by household for billing purposes to achieve the lowest possible pricing. The annual investment advisory fee is billed on a quarterly basis, in advance (except for **Participant Directed Retirement Plans, which are billed in arrears**), based upon the market value of the assets on the last day of the previous quarter. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis.

\*Where applicable, agreed upon non-managed assets held as part of your portfolio with Fusion Family Wealth will not be charged any Fusion fee. These non-managed assets will be assessed a reporting services fee of 0.02% (2 bps).

**Independent Manager Fees.** Without limiting the above, the annual investment management fee charged by Independent Manager(s) to the client can range from 0.17% to 0.53% of the assets allocated to the Independent Manager(s). Fees for equity managers are generally higher than those for fixed income managers. The applicable advisory fee charged by the Independent Manager(s), any related platform fee, “SMA” fee, “UMA” fee, “TAMP” fee, or similarly named fee is separate from, and in addition to, the Registrant’s investment advisory fee as set forth above.

**Fee Dispersion.** Registrant, in its discretion, may charge a lesser investment advisory fee, waive its asset minimum, charge a flat fee, waive its fee entirely, or charge a fee on a different interval, 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, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, 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.

**Fee Level Adjustment.** Registrant's annual fee generally decreases at the asset levels described above (over \$3 million and over \$10 million). Correspondingly, if the client's managed assets fall below those agreed levels, Registrant's annual fee will increase. If the asset level changes occur during any billing quarter, there will be no interim intra-quarter fee adjustments. Rather, the fee shall be adjusted as of the beginning of the following initial full billing quarter.

**Reporting Services Fee.** Clients who choose to receive reporting services for investment assets that the client has not engaged the Registrant to manage (the "Excluded Assets") will incur an additional annual reporting services fee of \$80/Yodlee account for the Excluded Assets.

**ANY QUESTIONS:** Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding advisory fees.

#### **RETIREMENT ACCOUNTS**

For new clients that engage the Registrant's services, effective March 1, 2021, assets maintained by the client in their employer sponsored retirement plan shall be included for purpose of Registrant calculating its quarterly fee per the fee schedule set forth at Item 5 above. However, if the client advises the Registrant, in writing, that it does not desire for the Registrant to provide advisory services for the client's employer sponsored retirement plan, such assets shall not be included for Registrant's fee billing purposes. At no time shall the Registrant maintain the client's password for such retirement accounts, and it will be the client's exclusive obligation to implement the Registrant's recommendations.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant may determine to provide 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 charged at a rate of \$300 per hour, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

#### **RETIREMENT PLAN CONSULTING SERVICES**

If a participant directed retirement plan sponsor client chooses to engage the Registrant to provide retirement plan consulting services, Registrant's annual fee for these services ranges from 20bps to 35bps based on the value of plan's assets on the last day of the previous quarter payable quarterly, in arrears.

- B. Clients may elect to have the Registrant’s investment advisory fees and retirement plan consulting fees deducted from their custodial account. Registrant’s Investment Advisory Agreement, Retirement Plan Services Agreement, and the applicable 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 fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly for those services, payment is due upon receipt of the Registrant’s invoice. The Registrant shall deduct investment advisory fees and retirement plan consulting fees
- C. As discussed below, unless the client directs otherwise or an individual client’s circumstances require, the Registrant shall generally recommend that *Fidelity* Institutional Wealth Services, an SEC-registered and FINRA member broker dealer (“Fidelity”), and/or Pershing Advisor Solutions, LLC an SEC-registered and FINRA member broker dealer serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers such as *Fidelity* and *Pershing* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians do not currently charge fees on individual equity transactions (including ETFs), others do). Currently, neither *Fidelity* nor *Pershing* charges transaction fees for individual equity transactions (including ETFs), with the exception that *Fidelity* will charge a transaction fee of \$0.01 per share for equity transactions in excess of 10,000 shares. *Pershing* will also assess fees to clients who elect to receive account statements by regular mail rather than electronically. *Pershing* currently charges \$2 per hard copy statement. In addition to Registrant’s investment advisory fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund (“ETF”) purchases, charges imposed at the fund level (e.g. management fees and other fund expenses), 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, in addition to advisory fees imposed by Independent Manager(s) (including without limitation any related platform fee, “SMA” fee, “UMA” fee, “TAMP” fee, or similarly-named fee). Registrant does not receive any portion of these fees/charges. **ANY QUESTIONS:** The Registrant’s Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding fees to be incurred by the client.
- D. The Registrant’s annual investment advisory fee shall be prorated and paid quarterly in advance, based upon the market value of the assets on the last day of the previous quarter. The Registrant’s annual retirement plan consulting fee shall be prorated and paid quarterly in arrears, based upon the market value of the assets on the last day of the previous quarter. The applicable form of agreement between the Registrant and the client will continue in effect until terminated by either party in conformity with the terms of such agreement. Upon termination of such agreement, the Registrant shall either: bill the client or debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of days those services were provided during the billing quarter; or refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter, as applicable. **ANY QUESTIONS:** The Registrant’s Chief Compliance Officer, Brett Stanton, remains available to address any questions regarding fees to be incurred by the client.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

## **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 generally include individuals, high net worth individuals, related trusts and estates, pension, and profit-sharing plans. The Registrant generally requires a \$5 million aggregate asset minimum for investment advisory services. The Registrant, in its sole discretion, may reduce its minimum asset preference 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, negotiations with client, etc.). Please also refer to Item 5 above with respect to "Fee Dispersion."

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

- A. The Registrant may utilize the following methods of security analysis:
- 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); and/or
  - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices).

The Registrant may 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); and/or
- Margin Transactions (use of borrowed assets to purchase financial instruments)

**Investment Risk.** Past performance does not guarantee future results. Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. 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). While markets may increase and client account values could benefit as a result, it is also possible that markets may decrease, and such account values could suffer a loss. It is therefore important that clients understand investment risks, diversification strategies, and ask Registrant any questions they may have before making any investment decisions.

- 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 and Short-Term Purchases) 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.

- C. Registrant recommends asset allocations based on a particular client's: economic situation, liquidity needs, risk tolerance, proposed investment period, need for diversification, reliance upon current income, present and anticipated tax situation. Registrant also considers historical yields, potential appreciation, and marketability before making investment recommendations. Registrant primarily allocates or recommends that clients allocate investment assets among mutual funds, ETFs, and Independent Managers in accordance with the clients' designated investment objectives. To a lesser extent, when consistent with investment objectives, Registrant may also allocate or recommend that clients allocate investment assets among individual equities (stocks) and individual bonds. In certain limited circumstances, when consistent with a client's investment objectives, the Registrant may also recommend the use of margin transactions.

Each type of investment has its own unique set of risks associated with it. The following provides a short description of some of the underlying risks associated with the types of investments that Registrant uses or recommends:

**Market Risk**. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic, and social conditions may trigger market events which are temporarily negative, or temporarily positive.

**Unsystematic Risk**. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

**Value Investment Risk**. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

**Growth Investment Risk.** Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

**Small Company Risk.** Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

**Commodity Risk.** The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

**Foreign Securities and Currencies Risk.** Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

**Interest Rate Risk.** Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

**Inflation Risk.** When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

**Reinvestment Risk.** Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate), which primarily relates to fixed income securities.

**Credit Risk.** The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

**Call Risk.** During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

**Regulatory Risk.** Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.



**Mutual Fund Risk.** Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

**Exchange Traded Fund Risk.** ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

**Margin Transactions.** A margin transaction strategy, in which an investor uses borrowed assets to purchase financial instruments, involves a high level of inherent risk. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

## **Item 9            Disciplinary Information**

The Registrant has not been the subject of a disciplinary action.

## **Item 10           Other Financial Industry Activities and Affiliations**

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a 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. As indicated above relative to Independent Manager(s), the Registrant recommends or selects other investment advisors (i.e., Independent Manager(s)) for its clients for which the Registrant earns an advisory fee.

**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 and similar state law, 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. 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.
- 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 potential 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 before 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 transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Furthermore, Access Persons must provide the Chief Compliance Officer with a quarterly transaction report, detail all trades in the Access Person's account during the previous quarter; and on an annual basis, each Access Person must provide the Chief Compliance Officer with a written report of the Access Person's current securities holdings. However, 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 potential 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 advisory accounts be maintained at *Fidelity* and/or *Pershing*. Depending on which custodian the client selects to maintain their accounts, clients may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds and other aspects of investing. In certain instances, some of these differences could cause differences in account performance. Before engaging Registrant to provide investment advisory 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 *Fidelity* and/or *Pershing* (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 obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect 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 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 advisory fee. The Registrant's best price 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.

### **1. Non-Soft Dollar 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, Registrant can receive from *Fidelity* and/or *Pershing* (or other broker-dealer/custodians, unaffiliated investment managers, Independent Manager(s), investment platforms, vendors, and/or product/fund sponsors) 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 can 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 travel expenses/attendance at conferences, meetings, and other educational and/or social events, marketing support (including a financial contribution toward the cost of the Firm's annual golf

tournament), computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

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.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at a broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by the Registrant to any broker-dealers/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 arrangements. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.

2. The Registrant does not receive referrals from broker-dealers.

3. **Directed Brokerage.**

The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be affected 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, the 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.

**Please Note:** 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. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

B. Transactions for each client account generally will be affected 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. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. 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, account reviews are conducted on an ongoing basis by the Registrant's investment adviser representatives and/or Chief Compliance Officer. 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 written transaction confirmation notices and regular written 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.A.1 above, the Registrant can receive economic benefits from *Fidelity* and/or *Pershing* (or other broker-dealer/custodians, unaffiliated investment managers, Independent Manager(s), investment platforms, and/or mutual fund sponsors), such as support services and/or products without cost or at a discount. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at a broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by the Registrant to a broker-dealer/custodian 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 arrangements. **ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.
- B. The Registrant engages promoters to introduce new prospective clients to the Registrant consistent with the Investment Advisers Act of 1940, its corresponding Rules, and applicable state regulatory requirements. If the prospect subsequently engages the Registrant, the promoter shall generally be compensated by the Registrant for the introduction. Because the promoter has an economic incentive to introduce the prospect to the Registrant, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to the Registrant (i.e., if the prospect was to engage the Registrant independent of the promoter's introduction).
- C. In the event that a client advises Fusion Family that it requires the services of an unaffiliated professional (i.e., attorney, CPA, insurance agent, etc.), and the client correspondingly requests an introduction from Fusion Family, Fusion Family may make an introduction to a professional who is also a Fusion Family client and/or referral source. Unless otherwise expressly indicated, in writing, neither Fusion Family, nor any Fusion Family employee, shall receive any compensation from the professional for the introduction. Nevertheless, because the recommended professional is also a Fusion Family

client, a conflict of interest arises because by making the introduction, Fusion Family is assisting an individual or entity from whom it derives (and anticipates in the future will derive) compensation as a Fusion Family client. In addition, Fusion Family currently (and anticipates continuing to do so in the future) provides advisory services to referral sources on a discounted basis. In the event that Fusion Family introduces a client to an unaffiliated professional who is also a Fusion Family client, Fusion Family will disclose the conflict to the client. No client is under any obligation to utilize the services of any such recommend professional.

## **Item 15      Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written 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.

**Please Note:** 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.

Certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Fusion 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. In addition, in limited circumstances, Registrant engages in certain custody-related services and/or practices (i.e., trustee service), that are disclosed at Item 9 of Part 1 of Form ADV. These services and practices are subject to an annual surprise CPA examination. **ANY QUESTIONS:** Fusion's Chief Compliance Officer, **Brett Stanton**, 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 or non-discretionary basis. Before the Registrant assumes discretionary authority over a client's account, client shall be required to execute an 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 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**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Registrant will introduce a third-party service provider, Chicago Clearing Corp. (CCC), to assist the client with participation in securities class action lawsuits pertaining to the assets under Registrant's management. Registrant would then provide trade data and other necessary information to the third-party service provider, which would research class action cases and complete and calculate the applicable proof of claim. The third-party service provider would then file the applicable proof of claim with the claims administrator, verify payment received from the claims administrator and distribute the payment to the client minus a fifteen percent (15%) contingency fee of securities class action settlements collected. Otherwise, if clients choose not to engage in the class action monitoring, filing, and recovery services provided by the third-party service provider, clients will be exclusively responsible for voting in all legal proceedings or other type events pertaining to the assets under Registrant's management including, but not limited to, class action lawsuits.

**Fair Fund Process.** In the event that the third-party service provider is required to process a Fair Fund payment (i.e., a fund established by the SEC to distribute money to defrauded investors), the third-party service provider shall deposit the gross settlement into the client's account. However, CCC, unlike its does for class action settlements, the third-party service provider will not deduct its percentage fee from the client's gross settlement. Rather, the third-party service provider shall accrue its Fair Fund fee and deduct it from the client's subsequent class action settlement(s).

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **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.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Brett Stanton, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**