



GREENWICH WEALTH  
MANAGEMENT, LLC

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This brochure provides information concerning the services and business practices of Greenwich Wealth Management, LLC® (hereafter, "GWM"). Please contact Daniel Sullivan (sullivan@greenwichwealth.com), if you have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any State securities authority and does not imply a certain level of skill or training.

Additional information about GWM is available at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Where you can search by our unique identifying number, known as a CRD number; Our CRD number is **142820**.

**Please visit our website: [www.greenwichwealth.com](http://www.greenwichwealth.com)**

## **ITEM 2: MATERIAL CHANGES**

There are no material changes to this Brochure.

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#### ITEM 4: ADVISORY BUSINESS

**A. Describe your advisory firm, including how long it has been in business. Identify your principal owner(s).**

Greenwich Wealth Management, LLC is an SEC Registered Investment Advisor located in Greenwich, Connecticut and West Palm Beach, Florida. As a privately owned boutique firm, we develop and manage custom tailored investment portfolios without the need to promote internal products. GWM has been in business since December of 2006. Michael J. Freeburg is the founder and principal owner.

**B. Describe the types of advisory services the firm offers. If the firm holds itself out as specializing in a particular type of advisory service, explain the nature of that service in detail. If the firm provides investment advice only with respect to limited types of investments, explain the type of investment advice the firm offers and disclose that the advice is limited to those types of investments.**

GWM provides investment supervisory services to high net worth individuals, families, trusts, estates, endowments, charitable organizations, corporations, defined benefit/contribution plans and profit sharing plans. GWM charges a fixed annual fee as a percentage of assets under management when managing client assets and investment portfolios at qualified custodians.

**Third Party** - GWM also offers third party investment managing and monitoring services. GWM will provide this service to high net worth individuals and their families, trusts, estates, corporations and profit sharing plans.

**Portfolio Manager Licensing Agreement** - GWM has executed a Portfolio Manager Licensing Agreement with Covestor Limited. Covestor Limited (doing business as Interactive Brokers Asset Management) is an SEC-registered investment adviser affiliated with Interactive Brokers LLC, the broker and custodian for some of our client accounts. Pursuant to that agreement, a GWM portfolio manager provides Covestor with information regarding the trading in an IB brokerage account owned by the portfolio manager GWM. The GWM portfolio manager trades that account in accordance with a specific investment strategy. Based on this trading data, Covestor creates a portfolio discussed on its website, which Covestor clients may invest in, if Covestor deems it appropriate based on the client's suitability profile. Covestor mirrors (subject to certain limits) the trading activity in the GWM portfolio manager's brokerage account into the accounts of investing clients using Covestor's proprietary replication logic.

Neither GWM nor its portfolio manager offer any investment advice to Covestor clients, have discretionary trading authority over Covestor clients' accounts, or know the identity or suitability profile of those clients.

**ERISA 3(21) Retirement Plan Advisor Services** - Greenwich Wealth Management, LLC provides advisory services for defined benefit/contribution plans that are designed to assist the plan sponsor. These include but are not limited to: investment menu selection, share class guidance, review of plan structure, and educational support. In acting in a

3(21) fiduciary capacity Greenwich Wealth Management is responsible for providing investment advice, educational materials and educational support to the plan sponsor and is also responsible for the quality of the advice and recommendations offered. Greenwich Wealth Management agrees to apply a fiduciary standard and is thereby subject to certain responsibilities (i.e., acting with exclusive purpose and prudence solely in the interest of the plan sponsor). GWM will work in conjunction with the Plan Sponsor and the plan TPA to review the plan structure at least annually.

**C. Explain whether (and, if so, how) the firm tailor’s advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

GWM provides continuous advice to clients regarding the investment of client funds based on the individual needs of the client. In initial discussions, goals and objectives based on a client's investment profile is established. These are then developed into a client's personal investment guidelines at which point GWM executes and manages this portfolio based on these guidelines. Securities will be selected for inclusion within a client portfolio based on factors such as the risk tolerance of the client, liquidity needs, the adequacy of portfolio diversification among markets, sectors, industries, investment objectives and tax considerations.

Clients will retain individual ownership of all securities and have the opportunity to place reasonable restrictions on the types of investments made.

**D. If the firm participates in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how the firm manages wrap fee accounts and how it manages other accounts, and (2) explain that the firm receives a portion of the wrap fee for its services.**

Greenwich Wealth Management does not offer a Wrap Fee Program to clients.

**E. If the firm manages client assets, disclose the amount of client assets it manages on a discretionary basis and the amount of client assets on a non-discretionary basis. Disclose the date “as of” which it calculated the amounts.**

GWM has \$1,354,007,816 regulatory assets under management as of 12/31/2018.

**BREAKDOWN**

Discretionary:	\$1,354,007,816
Non-Discretionary:	<u>\$ 0</u>
<b>Total:</b>	<b>\$1,354,007,816</b>

**ITEM 5: FEES AND COMPENSATION**

**A./B. Describe how the firm is compensated for its advisory services. Provide the fee schedule. Disclose whether the fees are negotiable. Describe whether the firm deducts fees from clients’ assets or bills client for fees incurred. Explain how often the firm bills clients or deducts its fee.**

GWM is primarily a fee based financial advisory and portfolio management firm.

## **Fee Structure**

The annual fee for Portfolio Management Services will be based on a percentage of assets under management, according to the schedule below:

<b>Portfolio Value</b>	<b>Maximum Fee</b>
≤ \$1,000,000	1.25%/year
≥ \$1,000,001 to \$5,000,000	1.00%/year
> \$5,000,000	0.90%/year

## **General Information on Services and Fees**

In certain circumstances, fees may be negotiable. GWM may charge different clients receiving the same services different fees. The above are the firm's standard fee schedules.

Fees may be negotiable based on the amount of assets under management or the length or scope of the client relationship.

The annual fee for portfolios will be determined on a sliding scale and based on the amount of assets under management and the level of client services.

Depending on the custodial platform, either GWM or the custodian will calculate the advisory fee based on the value of the assets held in the client's account and the annual rate.

GWM generally uses Interactive Brokers, LLC (IB) as custodian for client assets. For clients who utilize IB the advisory fee will be calculated and deducted by Interactive Brokers based on the value of the assets held in the client's account at the end of each business day. The daily fee will be equal to the annual fee divided by the number of business days in the calendar year.

## **Fees for Retirement Plan Investment Advisory Services:**

<b>Plan Assets</b>	<b>Annual Fee</b>
\$0 - \$1,000,000	0.75% of Plan Assets
\$1,000,001-\$10,000,000	0.55% of Plan Assets
\$10,000,000+	0.50% of Plan Assets

The advisory fees charged by Greenwich Wealth Management, LLC covers all the investment advisory services provided to the plan sponsor; including investment advice, educational materials, educational support and plan review services. Investment

Advisory fees are included in the expense ratio of the funds selected by the Plan sponsor and are paid directly to Greenwich Wealth Management, LLC by the custodian. Unless otherwise negotiated, our fee is payable quarterly on all plan assets, in arrears and is exclusive of fund expenses, third party administration and execution costs. For purposes of calculating advisory fees, we request for plan custodians/TPA's to bill on the quarter as defined by the plan and the custodian/TPA

GWM does not perform the calculations or actual fee deductions on defined benefit/contribution plan assets. The fee billing information is believed to be valid and true with respect to fee billings as performed by the custodians utilized. Fees are negotiated by Greenwich Wealth Management, the Plan Sponsor and the Plan custodian/TPA.

**Other Custodial Platforms:**

For clients who direct the use of a custodial platform other than IB, the method by which the fee will be calculated and charged will depend on the platform and on client preference.

GWM will endeavor to accommodate the billing preferences of the client within the options available on any such platform, and will afford the client the option of paying the advisory fee separately from the custodian.

**Schwab:**

Investment management fees will be automatically deducted from the client account by the custodian. The advisor shall send an invoice to the custodian indicating the amount of fees to be deducted. The following method will be used for invoicing:

Monthly billing in arrears based on average daily balance of the account for corresponding month

**Client's will be provided a statement directly from the custodian at least quarterly reflecting deduction of the management fee. Clients are also able to view their accounts daily online.**

Clients provide written authorization permitting GWM to be paid directly from their accounts held by the custodian as part of their client agreement and account opening documents provided by the custodian.

**Third Party Investment Manager and Monitoring Services:**

GWM may provide Third Party Investment Management and Monitoring Services. The client will be billed directly on an annual basis after services are rendered. The fee for this service is 0.25%, this fee is negotiable. Third party managers may charge a separate fee, which will be disclosed to the client in the third party managers ADV.

## **Data Licensing Fees Received by Greenwich Wealth Management from Covestor Limited:**

Covestor has agreed to compensate the GWM portfolio manager under the Portfolio Manager License Agreement for licensing this trading data to Covestor. At this time, Covestor charges its clients wishing to invest in the GWM strategy 1% of gross market value of assets invested in the strategy. In accordance with the Portfolio Manager Licensing Agreement, Covestor will retain 0.25% of this fee and remit the remaining 0.75% to GWM.

GWM does not receive any compensation based on the performance or capital gains of any client account.

- C. Describe any other types of fees or expenses clients may pay in connection with firm's advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

### **Interactive Brokers -**

In addition to the advisory fee, client accounts at Interactive Brokers will pay a transaction charge to IB for each trade affected in their account. The exact cost of the transaction charge will be directly debited from the client's account by the custodian without a markup.

GWM does not receive commission from IB for client transactions

Transaction costs at IB are low by industry standards and typically less than one cent per share on US equities. Pricing for common asset classes is below. For a full detailed description of pricing and a list of charges for other investment products please visit <https://www.interactivebrokers.com/en/index.php?f=commission&p=stocks> and select the Tiered Pricing Structure Tab.

### **United States - Equities**

ETF expense ratios will be incurred by the client. GWM uses no load mutual funds. GWM does not receive 12b-1 fees. It should be noted that ETF expense ratios paid to the managers will result in GWM clients incurring two layers of fees.

Volume (per month)	IB Commission per Share US Stocks, ETFs, ETPs and Warrants	Minimum per Order	Maximum per Order
<= 300,000 Shares	USD 0.0035	USD 0.35	0.5% of trade value
300,001 - 3,000,000 Shares	USD 0.002	USD 0.35	0.5% of trade value
3,000,001 - 20,000,000 Shares	USD 0.0015	USD 0.35	0.5% of trade value
20,000,001 - 100,000,000 Shares	USD 0.001	USD 0.35	0.5% of trade value
> 100,000,000 Shares	USD 0.0005	USD 0.35	0.5% of trade value

Volume tiers are applied based on monthly cumulative trade volume summed across all US and Canadian stock and ETF shares at the time of the trade. Only shares that are traded while under the Tiered pricing structure will count towards the monthly volume. Share volumes for advisor, institutions, and broker accounts are summed across all accounts for the purpose of determining volume breaks. These fees are applied on a marginal basis for a given calendar month. If for example, you execute 500,000 US shares in a month, your IB Tiered fees would be:



- 300,000 shares at USD 0.0035
- 200,000 shares at USD 0.002

Orders where the commission cap is applied do not count towards the monthly volume tiers.

## United States - Bonds

For bond trades the fee is based on a percentage of the trade value. Face value of a trade of \$10,000 or less = .001 X face value. For face value greater than \$10,000 = same as above on initial \$10,000 and .00025 X face amount over \$10,000.

### United States - Corporate Bonds & CDs:

	Commissions	Minimum	Maximum
USD <= 10,000 Face Value	0.1%* Face Value (10 bps) 1, 2	USD 1.00 per Order	The smaller of \$250 and 1% of Trade Value
USD > 10,000 Face Value	0.025%* Face Value (2.5 bps) 1, 2	None	The smaller of \$250 and 1% of Trade Value

1 basis point=\$0.0001

Commissions are tiered. For example, for US corporate and muni bonds, the first 10K in face value is charged @ 0.1% and any remaining principal over 10K is charged at 0.025%.

Maximum USD 0.75 per trade.

### United States - Municipal Bonds

	Commissions	Minimum per Order	Maximum per Order
USD <= 10,000 Face Value	0.1%* Face Value (10 bps) 1, 2	None	None
USD > 10,000 Face Value	0.025%* Face Value (2.5 bps) 1, 2	None	None

1 basis point=\$0.0001

Commissions are tiered. For example, for US corporate and muni bonds, the first 10K in face value is charged @ 0.1% and any remaining principal over 10K is charged at 0.025%.

Maximum USD 0.75 per trade.

### United States – Treasuries (Bills, Notes, Bonds)

	Commissions	Minimum per Order	Maximum per Order
USD <= 1,000,000 Face Value	0.02%* Face Value (2.0 bps) 1	USD 5.00	None
USD > 1,000,000 Face Value	0.002%* Face Value (0.2 bps) 1	USD 5.00	None

1 basis point=\$0.0001

Commissions are tiered. For example, for US corporate and muni bonds, the first 10K in face value is charged @ 0.1% and any remaining principal over 10K is charged at 0.025%.

Maximum USD 0.75 per trade.

## United States – Futures

For treasury futures there is a non-member exchange fee of .80 and an IB fee of .85 (which is comprised of execution, clearing and carrying fees).

For E-mini futures there is \$0.55 exchange fee and an IB fee of .85 (which is comprised of execution, clearing and carrying fees) and a .02 non-member fee per contract.

For NYMEX crude oil there is an exchange fee of \$1.50 and an IB fee of .85 (comprised of execution, clearing and carrying fees) and a non-member fee of .02 per contract.

**United States – Cost Plus Tiered Commission per Contract**

Volume (per month)	USD
<= 1,000 Contracts	0.85
1,001 - 10,000 Contracts	0.65
10,001 - 20,000 Contracts	0.45
> 20,000 Contracts	0.25

**United States – Options**

For options transactions using the smart router there will be a fee of .70 per share with a \$1.00 minimum per order. The maximum fee charged on any exchange for canceling an option order = \$2.10. Fees will be disclosed immediately upon GWM trading any other products.

Effective June 1, 2011, IB will begin passing on to customers the SEC fee associated with U.S. listed option transactions. This fee, currently assessed at a rate of \$0.0000192 per \$1.00 of sales proceeds, serves to recover costs associated with the SEC’s supervision and regulation of the U.S. securities markets.

If other products are traded by GWM on behalf of clients the transaction costs associated with those products will be disclosed

United States - Smart Routed: <=10,000 Monthly Contract	Commissions	Minimum Per Order
Premium => USD 0.10	USD 0.70 per contract	USD 1.00
USD 0.05 =< Premium < USD 0.10	USD 0.50 per contract	USD 1.00
Premium < USD 0.05	USD 0.25 per contract	USD 1.0

**United States – Mutual Funds**

For Mutual Funds transactions IB charges a fee of the lesser of 3%\* Trade Value in USD or \$14.95 per transaction.

Mutual fund expense ratios will be incurred by the client. GWM uses no load mutual funds. GWM does not receive 12b-1 fees. It should be noted that mutual funds expense ratios paid to the managers will result in GWM clients incurring two layers of fees.

**Withdrawals**

After the first withdrawal (of any kind) in a month, IB will charge the following withdrawal fees for any subsequent withdrawal: \$10 for a wire; \$4 for checks and \$1 for ACH/EFT.

### **Low Balance Account Activity Fees**

IB also charges clients with account balances less than \$100,000 a minimum activity requirement fee of \$10.00 per month. In regards to the minimum activity requirement the GWM client's fees are considered on a consolidated basis. The number of accounts under an Adviser multiplied by the \$10 minimum, and compared to the total commissions for all accounts. If the total commissions are greater than the minimum calculation, no minimum activity fee will be applied. If the total commissions are greater than the minimum calculation, the minimum fee calculation will be applied to each individual account that had not met the minimum require activity.

### **Standard activity fee calculation**

**Monthly Activity Fee = 0** if monthly commissions are equal to at least USD 10.

If monthly commissions in a client account are less than USD 10,

**Standard Activity Fee = USD 10 – commissions.**

Example:

Monthly commissions = USD 6

Standard Activity Fee = USD 10 – USD 6

Standard Activity Fee = **USD 4**

### **Advisor Accounts**

Monthly Activity Fee = 0 if consolidated monthly commissions are at least equal to (number of accounts<sup>6</sup> x USD 10).

Example: Advisor has 12 sub accounts, number of Accounts = 12

Monthly consolidated commissions minimum requirement is 12 x USD 10 = **USD 120**

If the monthly consolidated commissions *are less than* the required minimum, an activity fee is charged on an account-by-account basis using the Standard Activity Fee calculation described above.

Client is age 25 or under

**Monthly Activity Fee = \$0** if monthly commissions are equal to at least \$3.

If monthly commissions are less than USD 3,

Activity Fee = \$3 – commissions.

Example:

Monthly commissions = \$1.25

Activity Fee = \$3 – \$ 1.25 Activity Fee = **\$1.75**

UGMA/UTMA Accounts

**Monthly Activity Fee = \$0** if monthly commissions are equal to at least USD 10.

If monthly commissions are less than USD 10,  
**Standard Activity Fee = \$3**

These activity fees are only applicable to client accounts with a balance of  $\leq 100K$   
**Note:** there is no Activity Fee for the Master Account.

Effective September 1, 2016 IB will pass through FINRA's Trade Activity Fee, ("TAF") on all U.S. stock executions. The TAF fee is currently charged at a rate of 0.00019 USD per share the fee is capped at \$5.95 USD per trade.

**Fidelity** -

In addition to the advisory fee, client accounts at Fidelity will pay a transaction charge to Fidelity for each trade affected in their account. The exact cost of the transaction charge will be directly debited from the client's account by the custodian without a markup. For more specific on fees and minimums please visit: [www.fidelity.com](http://www.fidelity.com).

All online U.S. equity trades	\$7.95 per trade – Plus:
All online options trades	\$0.75 per contract
Buy to close orders of \$0.65 to \$0.11	\$7.95 flat
Buy to close orders of \$0.10 or less	\$0.00
Purchase 70 iShares® ETFs online	\$0.00
Purchase 11 Fidelity sector ETFs online	\$0.00
Purchase 3 Fidelity active fixed income ETFs	\$0.00
All other ETFs	\$7.95 per trade
New Issues	\$0.00
Secondary Issues	\$1.00 per bond <sup>3</sup>
U.S. Treasury Auctions online	\$0.00
U.S. Treasury Auctions representative assisted	Flat fee of \$19.95
Fidelity funds	\$0.00
No Transaction Fee (NTF) non-Fidelity funds:	\$0.00 on purchase. \$49.95 on redemption if held less than 60 days
Transaction Fee non-Fidelity funds:	\$49.95 per purchase.** \$0 on redemption

Electronic statements	\$0.00
Monthly statements	\$0.00
Trade confirms	\$0.00
Replacement statement	\$0.00
Replacement confirm	\$0.00
Early IRA withdrawals	\$0.00
Roth IRA conversion	\$0.00
Recharacterizations	\$0.00
SIMPLE IRA annual fee	\$25.00
Account closeout fee (Note: Excludes SIMPLE IRAs.)	\$50.00
Electronic funds transfer (EFT)	\$0.00
Fidelity BillPay®	\$0.00
Check copies	\$0.00
Returned Check	\$0.00
Stop Payment	\$0.00
Check Ordering	\$0.00
HSA check ordering	\$0.00
Overnight check delivery	\$0.00
Cashier's check	\$10.00
Debit card annual fee	\$0.00
Fidelity® Cash Management Account ATM fee	\$0.00
Fidelity® Cash Management Account ATM bank surcharge	Reimbursed
The Fidelity Account® ATM fee	\$0.00 for first 5 transactions per month \$1.00 per transaction thereafter
The Fidelity Account® ATM bank surcharge	Varies
Bank wire	\$10.00 online; \$15.00 through a representative
Foreign exchange wire	Up to 3% of principal
Real-time quotes	\$0.00
Streaming quotes	\$0.00
Steaming Level II quotes	\$0.00

Streaming news	\$0.00
Transfer of assets	\$0.00
Mandatory corporate reorganization	\$0.00
Voluntary corporate reorganization	\$38.00
Depository Foreign Trust Company (DTC) foreign settlement fee	\$50.00
Note: Fee is per trade for foreign ordinary stock that is not DTC eligible.	
Stock certificate transfer and ship	\$100.00 per certificate
Mutual fund annual low balance fee	\$12.00 per fund
Foreign dividends and reorganizations	1% of principal
Limited partnership transfer fee	\$75.00dc
Margin liquidation	\$32.95
Reg T extension	\$0.00

### **Schwab -**

In addition to the advisory fee, client accounts at Charles Schwab will pay a transaction charge to Charles Schwab for each trade affected in their account. The exact cost of the transaction charge will be directly debited from the client's account by the custodian without a markup. For more specific on fees and minimums please visit: [http://www.schwab.com/public/schwab/investing/pricing\\_services/fees\\_minimums](http://www.schwab.com/public/schwab/investing/pricing_services/fees_minimums)

### **Stocks and ETFs**

#### **Commissions per Executed Trade**

<b>Fund Type</b>	<b>Online Trades</b>	<b>Automated Phone Trades</b>	<b>Broker-Assisted Trades</b>
Stocks	\$8.95 \$	8.95 + \$5.00 service charge	\$8.95 + \$25.00 service charge
Schwab ETF OneSource™	\$0.00	\$25.00 service charge	\$25.00 service charge
All other ETFs	\$8.95	\$8.95 + \$5.00 service charge	\$8.95 + \$25.00 service charge

### **Mutual Funds**

#### **Transaction Fees per Executed Trade**

<b>Fund Type</b>	<b>Online Trades</b>	<b>Automated Phone Trades</b>	<b>Broker-Assisted Trades</b>
OneSource® Funds	\$0	\$0	\$25.00 service charge
Transaction-Fee Funds	\$76 per buy \$0 per sell	\$76 per buy \$0 per sell	Online fee + \$25.00 service charge

### **Options**

#### **Commissions per Executed Trade**

<b>Fund Type</b>	<b>Online Trades</b>	<b>Automated Phone Trades</b>	<b>Broker-Assisted Trades</b>
	\$8.95 + \$0.75 per contact	Online Pricing+ \$5.00 service charge	Online pricing + \$25.00 service charge

The Exchange Process Fee will rise or fall periodically depending upon the rates set by the SEC or by the U.S. option exchanges, as applicable.

Several U.S. option exchanges currently assess a fee upon Schwab for covered transactions. Of them, the Chicago Board Options Exchange

(CBOE) and the International Securities Exchange (ISE) fees, as shown in the table below, will be included in the Exchange Process Fee.

**Schedule of Option Exchanges Imposing the Fee Applicable to the Exchange Process Fee Exchange Fees per Contract (Buys and Sells)**

C2 \$0.0012

CBOE \$0.0095

ISE \$0.0039

ISE Gemini \$0.0010

BOX \$0.0030

TOTAL \$0.0186 per Contract

If the client chooses another custodian, the transaction fees for that platform will be disclosed.

- D. If the firm's clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

GWM does not bill or collect fees in advance.

- E. If the firm or any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact.**

GWM does not accept compensation for the sale of securities or other investment products.

**ITEM 6: PERFORMANCE - BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

**If the firm or any of its supervised persons accepts performance-based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client, disclose this fact. If the firm or any of its supervised persons manages both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or asset-based fee, disclose this fact.**

GWM does not charge performance-based fees or engage in side-by-side management.

**ITEM 7: TYPES OF CLIENTS**

**Describe the types of clients to who the firm generally provide investment advice, such as individuals, trusts, investment companies or pension plans. If the firm has any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

GWM provides investment supervisory services to high net worth individuals, families, trusts, estates, endowments, charitable organizations, corporations, defined benefit/contribution plans and profit sharing plans. GWM charges a fixed annual fee as a

percentage of assets under management when managing client assets and investment portfolios at qualified custodians.

**Conditions for Managing Accounts:** For Portfolio Management Services, GWM requires a minimum account size of \$1,000,000.

This account minimum may be negotiable based on the length or scope of the client relationship or the nature of the prospective relationship.

#### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

##### **A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets.**

GWM uses fundamental, technical, and macro-economic analysis to formulate an investment strategy tailored to each client. GWM uses the following sources of information:

- Independent Research Materials
- Financial Periodicals
- Ratings Agency Services
- Annual Reports
- Prospectuses
- Filings with the Securities and Exchange Commission
- Press Releases.

We will work with the client to agree on the appropriate asset allocation based upon the following considerations:

- Income and liquidity requirements
- Investment time horizon
- Risk profile
- Financial goals
- Special needs

The investment strategies we use to implement any advice given to clients include the following. Long term purchases (securities held at least one year), short term purchases (securities held less than one year), trading (securities sold within 30 days). GWM may also recommend the use of short sales, margin loans and options investment strategies for the management of our client's portfolios. Because these types of investment strategies involve additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives and tolerance for risk.

GWM implements a disciplined approach to total portfolio management and diversification using the following tools:

- Exchange-listed Securities
- Securities Traded Over-The-Counter
- Foreign Issuers



- Corporate Debt Securities (other than Commercial Paper)
- Certificates of Deposits
- Municipal Securities
- Mutual Fund Shares
- United States Government Securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate
- Exchange Traded Funds (ETFs)
- Structured Products
- Alternative Investments
- Foreign Exchange
- High Frequency Trading Algorithms

**B. For each significant investment strategy or method of analysis the firm uses, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss the risks in detail. If the firm's primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

Recommendations for new investments in accounts managed by GWM will typically be limited to the above items and any investments transferred into the managed account. Non-security classes of investments, e.g., futures and commodities, involve certain additional degrees of risk, they will be recommended and managed only when consistent with a client's stated investment objectives and tolerance for risk.

Investing in securities involves risk of loss that clients should be prepared to bear.

**C. If the firm primarily recommends a particular type of security explains the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

GWM is comfortable investing across the full breadth of the market. However, the backbone of many of our investment portfolios has increasingly been supported by the use of Exchange Traded Funds (ETFs), ETFs are extremely liquid as well as cost and tax efficient.

Investing in securities involves risk of loss that clients should be prepared to bear.

#### **ITEM 9: DISCIPLINARY INFORMATION**

**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of the firm's management, disclose all material facts regarding those events.**

Neither GWM nor its management have been subject to legal or disciplinary events that are material to a client's or prospective client's evaluation of GWM's advisory business.

**ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

- A. If the firm or any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact**

**Michael J. Freeburg** is a Member of Catalus Capital Management, LLC (CCM). CCM was formed in 2011 and is the management company for Catalus Capital, LLC (CC) which operates as a private Family Office. Michael J. Freeburg does not expect to devote more than 10 hours monthly to the combined business of CCM & CC most of which will be during non-market hours. Michael J. Freeburg's primary responsibility is to manage the non-underwriting side of the business. This is an investment related business.

GWM also performs a supervisory role over these activities which are outlined in our policies and procedures manual.

GWM reviews and update our brochure at least annually to make sure that it remains current.

- B. If the firm or any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.**

Neither GWM nor any of its persons are registered or have a pending application for these positions.

- C. Describe any relationship or arrangement that is material to the firm's advisory business or to your clients that the firm or any of its management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

GWM recommends that clients and prospective clients maintain brokerage and custody accounts with Interactive Brokers. However, clients and prospective clients of GWM should be aware that Directors and key personnel of Interactive Brokers have business, economic and long term personal relationships with GWM and Michael Freeburg, Managing Member of GWM, which could pose a conflict of interest when GWM directs trades to Interactive Brokers. GWM, based on its research, believes that Interactive Brokers is the appropriate party for our clients to custody their accounts because of transaction costs and other services offered by Interactive Brokers. GWM mitigates potential conflicts of interest by reviewing transaction costs and conducting due diligence reviews of Interactive Brokers.

- D. If firm recommends or selects other investment advisers for its clients and receives compensation directly or indirectly from those advisers that creates a material conflict of interest, or if the firm has other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

GWM does not select other investment advisers for its clients.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

**A. If the firm is an SEC-registered advisor, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.**

GWM has adopted a Code of Ethics (COE) expressing the firm's commitment to ethical conduct. GWM's COE describes the firm's fiduciary duties and responsibilities to clients, and sets forth GWM's practice of supervising the personal securities transactions of supervised persons with access to portfolio recommendations and transactions. All individuals associated with GWM have read and are expected to comply with the COE. In addition, our COE governs personal trading.

To supervise compliance with its COE, GWM requires that anyone associated with this advisory practice, with access to advisory recommendations or transactions provide initial and annual securities holdings reports and quarterly securities transactions reports to the firm's Chief Compliance Officer. These reports are reviewed quarterly. GWM requires such persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

GWM requires that all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. GWM's COE further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above will be subject to discipline and or termination.

GWM will provide a copy of its COE to *any* client or prospective *client* upon request.

GWM requires all employees to read the COE and sign an acknowledgement statement that they will abide by the GWM COE.

**B. If the firm or its related persons recommends to clients, or buys or sells for client accounts, securities in which the firm or a related person has a material financial interest, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

GWM has no material, financial interest in securities in which clients might invest.

**C. If the firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the firm or a related person recommends to clients, describe the firm's practice and discuss the conflicts of interest this presents and generally how the firm addresses the conflicts that arise in connection with personal trading.**

GWM related persons may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of GWM that no person employed by GWM shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

- D. If the firm or related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the firm or related person buys or sells the same securities for your own account, describe the firm's practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

This Code establishes rules of conduct for all supervised persons of GWM and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that GWM, and its employees owe a fiduciary duty to GWM's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid serving their own personal interests ahead of clients, taking inappropriate advantage of their position with the firm and any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by GWM, continue to be applied. The purpose of the Code is to preclude activities, which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee and supervised person.

#### **ITEM 12: BROKERAGE PRACTICES**

- A. Describe the factors the firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).**

As an SEC Registered Investment Advisory firm GWM has a fiduciary responsibility to seek best execution for client transactions. GWM generally uses Trader Workstation ("TWS") platform offered to investment advisors by Interactive Brokers, LLC, or Charles Schwab Inc. a registered broker dealer and FINRA member. Clients are not under any obligation to effect trades through TWS. GWM will endeavor to accommodate specific client requests to custody assets at another broker dealer.

GWM has reviewed the TWS platform and recommends IB based on a number of factors. These factors include the financial strength of the broker dealer, the broker's transaction confirmation and account statement practices, trade clearance and settlement capabilities. Other factors include GWM's experience with TWS, the broker's reputation, and the quality of execution services available through TWS including state of the art Smart order routing and low transaction and custodial costs available through Interactive Brokers.

GWM recommends that clients and prospective clients maintain brokerage and custody accounts with Interactive Brokers. However, clients and prospective clients of GWM should be aware that Directors and key personnel of Interactive Brokers have business, economic and long term personal relationships with GWM and Michael Freeburg, Managing Member of GWM, which could pose a conflict of interest when GWM directs trades to Interactive Brokers. GWM, based on its research, believes that Interactive Brokers is the appropriate party for our clients to custody their accounts because of

transaction costs and other services offered by Interactive Brokers. GWM mitigates potential conflicts of interest by reviewing transaction costs and conducting due diligence reviews of Interactive Brokers.

Clients who have elected to custody their accounts at a Broker Dealer other than IB, may receive different trade execution prices that may be less favorable than transactions executed through IB. GWM may aggregate client orders (blocked trades) in order to receive a more favorable execution price. In such blocked transactions, clients will receive an average price. GWM will rotate order entry priority between custodians when executing orders involving the same security at multiple custodians.

Where GWM does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to clients for execution and/or custodial services. GWM generally recommends that clients utilize the brokerage and clearing services of Charles Schwab, Inc. ("Schwab") or Interactive Brokers LLC (IB). Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by GWM. GWM may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the client, services made available to the client and overall Best Execution.

GWM may receive from Schwab without cost to GWM, computer software and related systems support, which allow GWM to better monitor client accounts. GWM may receive software and related support without cost because GWM renders investment management services to clients that maintain assets at on these institutional platforms. The software and related systems support may benefit GWM, but not its clients directly. In fulfilling its duties to its clients, GWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that GWM's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence GWM's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, GWM may receive the following benefits from these platforms: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the investment adviser division; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. These products or services may assist GWM in managing and administering client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help GWM manage and further develop its advisory business. The benefits received by GWM's participation in the programs do not depend on the amount of brokerage transactions directed to Schwab. Clients should be aware, however, that the receipt of economic benefits by GWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence GWM's recommendation of Schwab for custody and brokerage services.

As a fiduciary, GWM has the responsibility to execute orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client

transactions due to GWM's actions, or inaction, or actions of others, GWM's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting GWM in any way.

If the error is the responsibility of GWM, any client transaction will be corrected and GWM will be responsible for any client loss resulting from an inaccurate or erroneous order.

GWM's policy and practice is to monitor and reconcile all trading activity, identify and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file.

If a trade error results in a profit to an unintended client account, at the cost of another GWM client account, an offsetting financial transaction will be used to rectify the aggrieved party. The end result will be that no client benefits or suffers as a result of the error.

GWM's financial advisers may also be registered brokers with Liberty Partners Financial Services, LLC ("Liberty"). However, GWM does not custody advisory client accounts at Liberty. Under certain circumstances Advisory clients may wish to establish a brokerage relationship through Liberty, this determination is made on a case by case basis. Clients are advised that advisory persons may be limited in their ability to use other broker-dealers. Liberty has approved the use of both Schwab and Interactive Brokers.

**1. Research and Other Soft Dollar Benefits:**

GWM does not receive Soft Dollar Benefits from Interactive Brokers, Schwab or any other institution.

**2. Brokerage for Client Referrals: If the firm considers, in selecting or recommending broker-dealers, whether the firm or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

GWM does not receive benefits from client referrals.

**3. Directed Brokerage: If the firm routinely recommends, requests or requires that a client direct you to execute transactions through a specified broker-dealer, describe the firm's practice or policy.**

GWM recommends that clients and prospective clients maintain brokerage and custody accounts with Interactive Brokers. However, clients and prospective clients of GWM should be aware that Directors and key personnel of Interactive Brokers have business, economic and long term personal relationships with GWM and Michael Freeburg, Managing Member of GWM, which could pose a conflict of interest when GWM directs trades to Interactive Brokers. GWM, based on its research, believes that Interactive Brokers is the appropriate party for our clients to custody their accounts because of transaction costs and other services offered by Interactive Brokers. GWM mitigates potential conflicts of interest by reviewing transaction costs and conducting due diligence reviews of Interactive

Brokers. Should any current or prospective client of GWM prefer to custody elsewhere, we have other options available.

GWM will endeavor to accommodate specific client requests to custody assets at another broker dealer.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

GWM uses allocation profiles to execute orders for selected tickers when investing across multiple client accounts. These allocation profiles ensure that one client does not receive preferential treatment over another.

While there is some commonality of investments between client accounts the bespoke nature of our investment portfolios does not always allow for client account order aggregation. Due to the necessity to preselect a client account Greenwich Wealth Management, LLC has no ability to reallocate trades post execution. This system prohibits preferential treatment to one client over another.

**ITEM 13: REVIEW OF ACCOUNTS**

**A. Indicate whether your firm periodically reviews client accounts or financial plans. If you do, describe the frequency and nature of the review and the titles of the supervised persons who conduct the review.**

Accounts managed by GWM are monitored on a regular basis and reviewed on at least a quarterly basis by the client's Adviser. Accounts are reviewed for consistency with the individual client's objectives. More frequent reviews may be triggered by changes in the client's needs and circumstances, the client's risk tolerance, by events related to the issuer of a security, or by market, economic or political events. We offer to meet with clients monthly.

Financial plans are reviewed and approved (as needed) before being submitted to a client by Michael Freeburg or Daniel Sullivan, Chief Compliance Officer. In addition, Daniel Sullivan reviews GWM client accounts at different times for various reasons:

Daily - review trade blotter

Annually - to ensure investment objectives are being met.

Miscellaneous - per client instruction, or with change in investment objectives

Third Party Investment Managers and the accounts managed by them will be reviewed by the clients Adviser on a quarterly basis or as otherwise agreed upon at the inception of the client agreement.

Working in the ERISA 3(21) capacity, GWM reviews defined benefit/contribution plans with the scope and frequency as agreed upon by the advisor and the plan sponsor; but will occur no less than annually. This review will include but is not limited to: investment menu selection, share class guidance, review of plan structure, and educational support.

**B. If the firm reviews client accounts on other than a periodic basis, describe the factors that trigger a review.**

In addition, GWM will review each client account that incurs a portfolio loss in excess of 10% +/- over the course of certain periods.

**C. Describe the content and indicate the frequency of regular reports the firm provides to clients regarding their accounts. State whether these reports are written.**

For accounts managed by GWM on the IB/TWS platform, daily, custom date ranges up to 365 days, monthly, quarterly, year-to-date and yearly account statements through IB Account Management, these reports include position, transaction and other relevant information, are available to clients over the internet 24 hours a day, 7 days a week. GWM will download and send a client account statement upon request. GWM downloads client statements at least monthly and generally emails or mails them to clients

An Activity Statement from IB Account Management will include: Net Asset Value Time Series, Mark-to-Market Performance Summary in Base, Realized and Unrealized Performance Summary in Base, Cash Report, Change in Position Value, Long Open Positions, Trades, Other Fees, Deposits and Withdrawals, Interest Accruals, Broker Interest Paid, Security Information, Codes, and Legal Notes. IB will send clients quarterly statements to the address of record and alert clients when monthly statements become available through email.

For clients with accounts on a custodial platform other than IB/TWS, the types of reports and the frequency with which the reports are provided will depend on the platform. GWM will at the inception of any account relationship that directs the use of a platform other than TWS advise the client of the types of reports and the frequency with which such reports will be provided to the client.

In addition, GWM will provide performance reports on a quarterly or monthly basis, as agreed upon or requested.

GWM creates excel based client account asset allocation summaries that use data exports from IB Account Management or the client account custodian. These allocation reports are mostly used for internal purposes but are occasionally shared with clients. These asset allocation summaries may provide a single account allocation or an aggregated account allocation depending on the client. The allocation summary generally discloses basic account information such as beginning and ending balance, time weighted performance, deposits and withdrawals, and some benchmark performance. These portfolio allocation summaries are not a substitute for custodial account statements. When given to clients these summaries have a disclosures page with all pertinent disclosures. GWM upon client request will create an Excel driven nightly account overview report this report relies on 3<sup>rd</sup> party close pricing services as well as IB data exports.

For Third Party Investment Manager and Monitoring Services, the types of reports and the frequency of reporting will be as contracted for.



The Client will receive brokerage statements no less than quarterly from the custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account(s). The Advisor may also provide Clients with periodic reports regarding their holdings, allocations and performance.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

- A. If someone who is not a client provides an economic benefit to the firm for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how the firm addresses the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

GWM is required to disclose any arrangements where GWM may receive compensation or any economic benefit from a third party in connection with the services provided to clients.

In accordance with the SEC Regulation 275.206, the Adviser may pay a referral fee at a negotiated rate to registered broker/dealers, investment advisers or sales representatives in accordance with the terms of a written Solicitor Agreement and after execution of a written referral fee disclosure statement by each client in respect of such persons. Applicant's referral agreement is in compliance with the federal regulations as set out in 17 CFR Section 275-206 (4)-3, and in each state where state law requires. Each client is given a copy of the solicitor agreement prior to or at the time of entering into any advisory contract

#### **Participation in Institutional Advisor Platform**

GWM has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like GWM. As a registered investment advisor participating on the Schwab Advisor Services platform, GWM receives access to software and related support without cost because the Advisor renders investment management services to clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit clients. In fulfilling its duties to its clients, the Advisor endeavors at all times to put the interests of its clients first. clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

**Services that Benefit the Client:** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain

mutual funds and other investments without having to adhere to investment minimums that might be required if the client were to directly access the investments.

**Services that May Indirectly Benefit the Client:** Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its clients, but may not directly benefit all clients.

**Services that May Only Benefit the Advisor:** Schwab also offers other services and financial support to GWM that may not benefit the client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a potential conflict of interest. GWM believes, however, that the selection of Schwab as Custodian is in the best interests of its clients.

Details of these custodian relationships are included in Item 12 above.

- B. If the firm or a related person directly or indirectly compensates any person who is not a supervised person for client referrals, describe the arrangement and the compensation.**

#### **ITEM 15: CUSTODY**

**If the firm has custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements.**

Greenwich Wealth Management, LLC does not maintain custody of client assets.

GWM also performs a supervisory role over these activities which are outlined in our policies and procedures manual.

GWM reviews and update our brochure at least annually to make sure that it remains current.

The Dodd-Frank Act amended the Fair Credit Reporting Act (FCRA) to require the SEC and CFTC to adopt identity theft red flags rules for entities subject to their authority. The change transferred authority from the Federal Trade Commission to the SEC and CFTC for entities those agencies regulate. On April 10, 2013, the SEC and CFTC implemented this transfer of authority by jointly adopting SEC Regulation S-ID and CFTC Regulation 162. GWM has and maintains a red flags policy as required under SEC Regulation S-ID.

#### **ITEM 16: INVESTMENT DISCRETION**

**If the firm accepts discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

GWM will manage advisory accounts on a discretionary or nondiscretionary basis. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Clients sign a Client agreement granting discretionary authority.

For clients whose accounts are managed by GWM through the TWS platform of IB or Schwab, GWM must be provided with discretionary trading authority to affect trades in the client's account. The client will retain the right to direct GWM to affect trades in the client's account. GWM will rotate order execution between custodian when executing orders involving the same security simultaneously.

Clients always retain individual ownership of all securities.

#### **ITEM 17: VOTING CLIENT SECURITIES**

**A. If the firm has, or will accept authority to vote client securities, briefly describe the voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6 and the applicable state securities rules.**

GWM does not have the authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients can contact GWM with questions about a particular solicitation.

#### **Class Action Suits**

To assist our clients in participating in the potential recovery of claims in class action suits, GWM has retained the services of Financial Recovery Technologies, LLC (FRT). FRT provides class action litigation monitoring and claim filing services. FRT charges a contingency fee of 20%, which is subtracted from the settlement check issued to the client.

These services are client initiated.

**B. If the firm does not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

Interactive Brokers mails out to the clients their proxies or other solicitations. The client may also elect to receive this information electronically from the custodian. Clients may contact us with questions about a particular solicitation.

#### **ITEM 18: FINANCIAL INFORMATION**

Not Applicable.

#### **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not Applicable.