



FLAGSHIP HARBOR ADVISORS

DAVID J. KAUFMAN CFP®, ChFC®
CEO AND FOUNDER

Flagship Harbor Advisors (www.flagshipharbor.com), established in 2010 as a collective of veteran financial professionals, seeks to maximize the impact of operating on an independent platform while leveraging the advantages of being a large group. Ultimately, we strive to help advisors keep more of the revenue they generate and keep costs low with economies of scale.

As hybrid advisors powered by the support and technology of LPL Financial (www.LPL.com), we have three primary business channels.

First, with LPL Financial, we have access to one of the industry's top advisory account management platforms *without* the cost of a 'global admin fee' allowing our group of advisors to keep more of the revenue they generate from advisory accounts. Additionally, we have a financial planning/investment consulting program enabling advisors to charge a flat (or hourly) fee for service which is not based on assets under management. This is all because Flagship Harbor Advisors is registered with the SEC as an independent RIA, and as a hybrid entity we do not have to use LPL's corporate RIA. Our team of attorneys keeps us on the cutting edge of the ever-changing world of RIA compliance.

Second, we have full access to LPL Financial's brokerage account platform, enabling advisors to broker mutual funds, alternative investments, ETFs, individual securities, variable annuities/life, etc. This platform is run without the conflicts of interest that can occur when a broker/dealer also sells their own proprietary products via their advisors, because LPL Financial does not offer proprietary products.

Third, as independent advisors we are able to offer our clients fixed products outside of LPL Financial's brokerage platform. We have partnered with Pinnacle Insurance & Financial Services of Jacksonville, FL (www.pinnacleifs.com). Via Pinnacle, we are able to broker fixed products (fixed annuities, fixed life, LTC, disability, etc.) from over 60 different carriers. Because we are a large collective of advisors we have a higher payout potential from these carriers, again allowing the advisor to keep more of the revenue generated.

In addition to this powerful three-channel approach, Flagship Harbor Advisors provides management, coaching, compliance guidance and more importantly, strives to provide veteran advisors with the independence they crave, while offering the camaraderie and support of a group. Advisors have the independence to choose their own brand name, website, technology and marketing strategy, as well as the flexibility and autonomy to build their own office and support staff team. However, if they so choose, one can simply leverage our already established brand, website, office, and other resources.

Flagship Harbor Advisors is here to support, guide, and help advisors create the practice they have always wanted, yet have been unable to achieve.

For a list of states in which we are registered to do business, please visit www.flagshipharbor.com

Pinnacle Insurance & Financial Services is not affiliated with LPL Financial or Flagship Harbor Advisors.

Specifically, the RIA/OSJ Branch Manager (Flagship Harbor Advisors/David J. Kaufman/Jay Sawyer and team) will support the investment advisor representative/registered representative in the following manner. This list is in no particular order and is updated/adjusted frequently:

- The cost of Errors and Omissions Coverage is covered by the OSJ Branch Manager for qualified advisors (as an annual credit of the current cost when the advisor joins LPL). This is done to effectively reduce the overall costs incurred by each advisor, thus allowing them to keep more of their earnings.
- LPL Resource Fee (affiliation fee) is paid by the OSJ Branch Manager for qualified advisors (as an annual credit of the current cost when the advisor joins LPL). This is done to effectively reduce the overall costs incurred by each advisor, thus allowing them to keep more of their earnings, and to protect them from ever increasing costs.
- Daily Trade Blotter is reviewed and approved via LPL Branchnet. Requests are made to each advisor for additional documentation when necessary (i.e., requesting F27, F423, etc. posted to iDoc when necessary). Advisory and Brokerage accounts are reviewed simultaneously. This process is in place so an advisor can focus on seeing clients and running their practice, and they can rely on the RIA/OSJ to help keep them in compliance with LPL policies and FINRA/SEC regulations.
- Variable annuity reviews/approvals occur daily and ensure compliance with LPL/FINRA policies (i.e., requesting F439, F146, etc. posted to iDoc when necessary).
- Alternative Investments account approval conducted daily.
- Daily Email Review is conducted via LPL Branchnet. Requests for additional information/clarification are made to each advisor when necessary. This process is in place so an advisor can focus on seeing clients and running their practice, and they can rely on the RIA/OSJ to keep them in compliance with LPL policies and FINRA/SEC regulations. This includes assistance in implementing the "secure" email function with the email host/archive vendor.
- Various monthly reviews are conducted via the LPL Branchnet system. This includes: Outside Business Activities, Client Address Changes, Trade Corrections, Mutual Fund Exceptions, Possible Front Running, Actively Traded Accounts, Concentrated Positions, Low Priced Securities, and Third Party Disbursements. Requests are made to each advisor when clarification is needed. This process is in place so an advisor can focus on seeing clients and running their practice, and they can rely on the RIA/OSJ to keep them in compliance with LPL policies and FINRA/SEC regulations.
- Monthly reviews of advertising, written correspondence, and Do-Not-Call tracking activity are also conducted by the RIA/OSJ. These items are requested from advisors at the end of each calendar month. We support advisors throughout the advertising/marketing process from conception through approval via LPL's Compliancemax program.
- Compliance with SEC policies and procedures is guided by a team of attorneys at Market Counsel in Englewood, NJ. The RIA and Market Counsel are in contact frequently, thus keeping the advisor on the cutting edge of RIA compliance. All costs associated with filings, documentation, client disclosures, attorney fees, etc. are paid by the RIA and not by the individual advisor. This is done to effectively reduce the overall costs incurred by each advisor,

thus allowing them to keep more of their earnings, and to protect them from ever increasing costs.

- All client agreements for advisory account relationships have been prepared by Market Counsel and are in compliance with LPL policies and SEC regulations. Each advisor is given copies of the original agreements and are able to make minor edits to reflect the true nature of the client-advisor relationship. Each agreement is signed by the managing member of the RIA (David J. Kaufman) and by the client. A copy is kept in the RIA main office and in the advisor's client file. LPL account applications do *not* need to be signed by the RIA managing member.
- Change of broker/agent of record forms generally need to be signed by the client, the advisor, and the OSJ/Branch Manager. Submissions for signature to the OSJ/Branch Manager are generally scanned/emailed and returned to the advisor within hours so the advisor can in-turn submit to LPL.
- Signature guarantees can be provided by the OSJ/Branch Manager upon request for no fee.
- Regular branch office visits are scheduled (at least annually) by the OSJ/Branch Manager to review hot compliance topics, conduct an office inspection, and review LPL compliance and technology policies.
- Frequent notices are emailed by the OSJ/Branch Manager to the advisor to serve as a reminder of various policies or changes in policy, hot topics, best practices, common themes, etc.
- Advisors can implement whatever compliant marketing/branding strategy they prefer. An advisor can choose to use the Flagship Harbor brand (see www.flagshipharbor.com), they can develop their own brand (e.g., Smith Financial), or they can use LPL's brand (see www.lpl.com) in some cases. In addition, advisors using their own brand are encouraged to develop their own website. If an advisor chooses to use the Flagship Harbor brand, then any costs associated with website are covered by the RIA/OSJ Branch Manager. LPL's "Account View" program is accessed by clients via the advisor's website (whether that is www.flagshipharbor.com or their own site).
- As we are in an expansion mode, we have a referral bonus program for advisors who refer qualified recruits to the RIA/OSJ Branch Manager. Details on this program will be supplied to each advisor.
- Each advisor is entitled to a complimentary initial consultation with Chief Technology Officer, Guy Alan. Any work that is contracted beyond the initial consultation is paid by the advisor, at a discounted rate. Mr. Alan is Microsoft certified and well versed in office set-up, wireless networking, phone systems, individual advisor computing/software needs, and LPL's technology compliance requirements.
- From time to time we engage an attorney who specializes in financial advisor legal issues. Advisors can have a complimentary consultation with one of our recommended firms during transition from their prior broker-dealer, in particular if it is expected to be a contentious situation. An attorney can also be engaged by an advisor at their own expense if legal issues are encountered in the normal course of business. We also have access to employment attorneys via the RIA's regular attorney team, Market Counsel.
- Service 360 (Team 40) is our service partner at LPL. They can be contacted by each advisor at will at 888-LPL-4RIA – they are specifically trained to work with LPL hybrid advisors.

Flagship Harbor Advisors: Hybrid RIA Organization

Flagship Harbor Brand

David J. Kaufman, CFP®, ChFC®
Jay Sawyer, CFP®
Sieglinde Aigner-Crooks, MBA, CFP®
Rich Anderson, JD
Mitch Avery, CPA
Adam Bateman
Quentin Climer, CRPC®
Matt Cunningham, CDFATM
John Delaney, CFP®
Alan Fatemi, CRPC®
Bryan Gravel
Brian Griffith, CFP®
Dwayne Hall, CFP®
Tim Higgins, CFP®, ChFC®
Stacy Jones, CRPC®
Kimberly Kelly
Vern Khederian, CLU®
Michael Krasco
Brendan Lammers, CLTC
Barbara Maitland
Kevin Mafera, CFP®, CLTC
Phil Mathey, MBA
Dan Moran, CFP®
Lee Pappas
James Pierotti, MBA
Gregory Prayzner
Chris Sheehan, JD, CFP®
Jason Taylor
Josh Topp, ChFC®

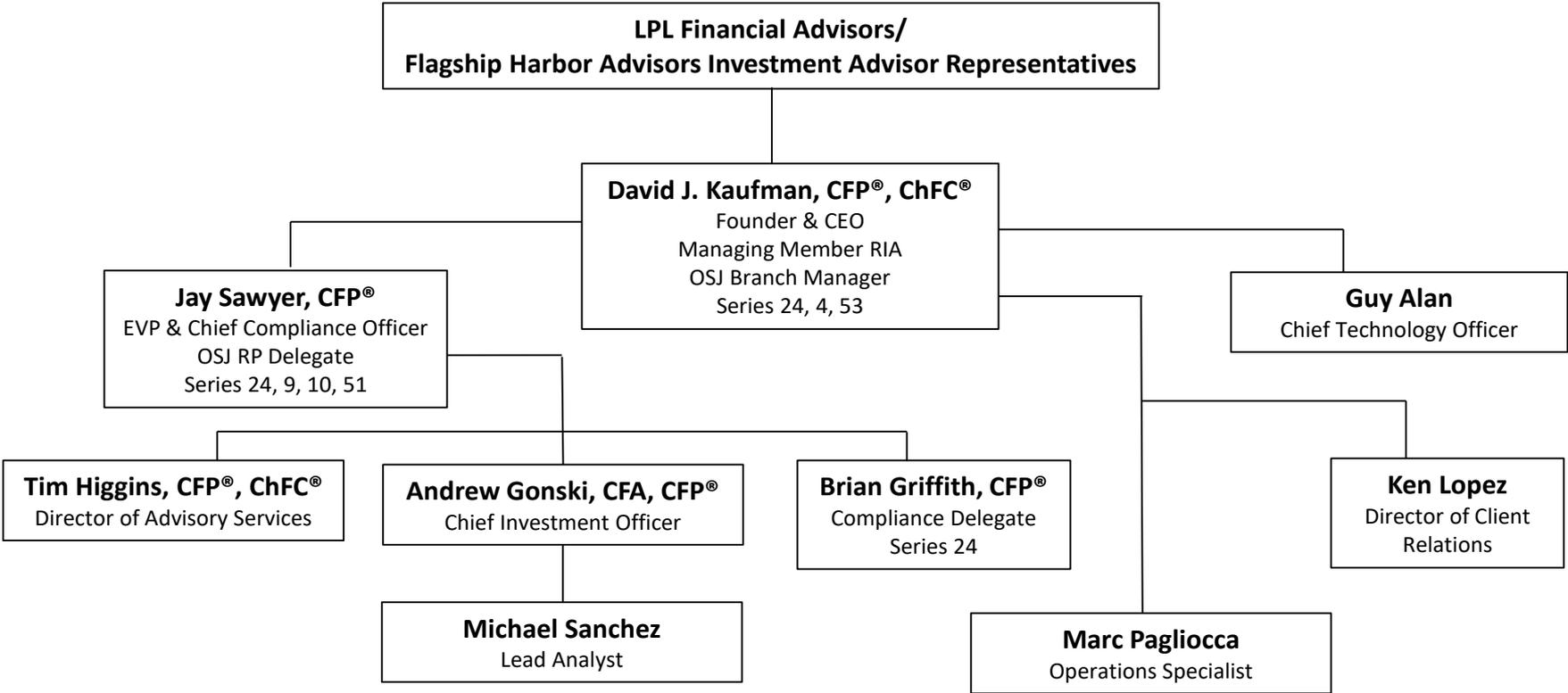
DBA Brand

Andreasen Financial: Irina Andreasen, MBA
Brandt Wealth Advisors:
Bob Brandt, CFP®, CLTC, MSW
Mike Houghton
ChartHouse Capital: Jesse Bessett, CFP®, CIMA®
Ed Marinucci, CIMA®
Tom Williams, CFP®, CRPC®
Fenton Financial Group: John Fenton, CFP®
Integritas Financial Advisors: Nick Krasucki, MBA
Karris and Co.: Charles Karris
Kefauver FP and Wealth Management.:
Rusty Kefauver, CRPC®
Laurenz Financial: Rod Laurenz, MBA
Munroe Morrow Wealth Management:
Greg Munroe, CFP®
Matt Morrow
Anthony Spadea, Jr.
Northern Peak Wealth Mgmt: Kevin Smith, CFP®
Paradiqm Private Wealth:
Jason Duguay, CFP®, CRPC®
Parker Wealth Management: Dan Parker, MBA
Schrumm Financial: Rebecca Schrumm, CFP®
Shepard Financial: Tom Shepard, CFP®, APMASM
Shevlin Wealth Management: Mark Shevlin
Thorne Financial Partners: Rob Thorne, CRPC®
Tinkham Wealth Management: Terry Tinkham
Trestlebridge Capital: Andrew Gonski, CFA, CFP®
Michael Sanchez, CRPC®

LPL Financial Brand

Wayne Bradley, CFP®, MS
Townsend Gilbert

Flagship Harbor Advisors: Hybrid RIA Organization



- Each advisor is expected to create and maintain a Business Continuity Plan. A model template will be provided by the RIA/OSJ Branch Manager.
- Each advisor is expected to create and maintain a Buy/Sell Succession Plan in the event of death/disability/retirement. A model template will be provided by the RIA/OSJ Branch Manager. We have a built in succession plan. In the event that you do not select a partner, we can be your partner and provide you liquidity for your practice.
- We encourage advisors to consider practice acquisition strategies. We can offer guidance, loans, and creative financing support from Flagship Harbor Advisors or from LPL directly, or a combination of both. We have already financed several practice successions within our group.
- Advisors can choose to be viewed/treated as a team or as individuals as it pertains to payout grid and other items. This can be a great advantage, and an important consideration when compared to other firms' models. Please be certain to understand the advantages of being viewed as a team.
- We have occasionally assisted advisors in staffing needs and can arrange some staff "sharing" opportunities if the need arises.
- We have a select group of advisors within our group who are considered experts in a given field of financial services (i.e., CFAs, College specialists, JDs, planning specialists, individual securities and options traders, etc.). They are always available for questions and/or collaborative support.
- Pinnacle Insurance is our outside fixed products partner (this is an optional relationship). We offer support and guidance, as well as including advisors as part of our collective for better payout from many carriers via their relationship with Pinnacle for fixed annuities and fixed insurance products (i.e., Term, DI, LTC, UL, etc.) Fixed products GDC earned via Pinnacle is indeed included in an advisor's Total GDC calculation on Flagship Harbor grid.
- A comprehensive Practice Transition Checklist is available for advisors who join from other broker/dealers. We support advisors throughout every step of the transition process.
- Office amenities at 346 Commercial St. in Boston (including kitchen, conference room, roof-deck, waterfront area, etc.) are available for booking by any affiliated advisor.
- To promote camaraderie there are two social gatherings each year, in summer and in winter. All advisors and staff and their significant others/children are invited to the celebrations. These are in addition to several impromptu gatherings throughout the year.
- Lastly and perhaps most importantly, David Kaufman and Jay Sawyer are committed to making themselves available in support of each advisor for whatever their needs might be on any given day of the week. We consider ourselves more than simply managers of the RIA/OSJ – we are your teammates. Whatever your difficulty/challenge/question/concern may be, we are only a phone call or email away. Between the two of us, we are very rarely unavailable. Additionally, there are other individuals with principal licenses in our group and each of the advisors considers themselves a resource for fellow members.