

Code of Ethics

A. DUTIES OWED TO CLIENTS

1. FIDUCIARY DUTY

At all times when providing financial advice to a Client, Shankland Financial Advisors, LLC (SFA) Professionals must act as a fiduciary, and therefore, act in the best interests of the Client. The following duties must be fulfilled:

a. Duty of Loyalty

SFA Professionals must:

- i. Place the interests of the Client above the interests of the SFA Professional and the SFA Professional's firm.
- ii. Avoid conflicts of interest, or fully disclose material conflicts of interest to the Client, obtain the Client's informed consent and properly manage the conflict.
- iii. Act without regard to the financial or other interests of the SFA Professional, the SFA Professional's firm or any individual or entity other than the Client, which means that a SFA Professional acting under a conflict of interest continues to have a duty to act in the best interests of the Client and place the Client's interests above the SFA Professional's and their firms.

b. Duty of Care

A SFA Professional must act with the care, skill, prudence and diligence that a prudent Professional would exercise in light of the Client's goals, risk tolerance, objectives, and financial and personal circumstances.

c. Duty to Follow Client Instructions

A SFA Professional must comply with all objectives, policies, restrictions and other terms of the Engagement and all reasonable and lawful directions of the Client.



2. INTEGRITY

A SFA Professional must perform Professional Services with integrity. Integrity demands honesty and candor, which may not be subordinated to personal gain or advantage. Allowance may be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of principal.

- a. A SFA Professional may not, directly or indirectly, in the conduct of Professional Services:
 - i. Employ any device, scheme, or artifice to defraud;
 - ii. Make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;
 - iii. Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

3. COMPETENCE

A SFA Professional must provide Professional Services with competence, which means with relevant knowledge and skill to apply that knowledge. When the SFA Professional is not sufficiently competent in a particular area to provide the Professional Services required under the Engagement, the SFA Professional must gain competence, obtain the assistance of a competent professional, limit or terminate the Engagement and/or refer the Client to a competent professional. The SFA Professional shall describe to the Client any requested Professional Services that the SFA Professional will not be providing.

4. DILIGENCE

A SFA Professional must provide Professional Services, including responding to reasonable Client inquiries, in a timely and thorough manner.

5. DISCLOSE AND MANAGE CONFLICTS OF INTEREST

a. Disclose Conflicts

When Providing Financial Advice, a SFA Professional must make full disclosure of all Material Conflicts of Interest with the SFA Professional's Client that could affect the professional relationship. This obligation requires the SFA professional to provide the Client with sufficiently specific facts so that a reasonable Client would be able to understand the SFA Professional's Material Conflicts of Interest and the business practices that give rise to the conflicts, and give informed consent to such conflicts or reject them. A sincere belief by a SFA Professional with a Material Conflict of Interest that he or she is acting in the best interests of the Client is insufficient to excuse failure to make full disclosure.

- i. A SFA Professional must make full disclosure and obtain the consent of the Client before providing any Financial Advice regarding which the SFA Professional has a Material Conflict of Interest.
- ii. In determining whether the disclosure about a Material Conflict of Interest provided to the Client was sufficient to infer that a Client has consented to a Material Conflict of Interest, the SFA Principal will evaluate whether a reasonable Client receiving the disclosure would have understood the conflict and how it could affect the advice the Client will receive from the SFA Professional. The greater the potential harm the conflict presents to the Client, and the more significantly a business practice that gives rise to the conflict departs from commonly accepted practices among SFA Professionals, the less likely it is that the SFA Principal will infer informed consent absent clear evidence of informed consent. Ambiguity in the disclosure provided to the Client will be interpreted in favor of the Client.
- iii. Evidence of oral disclosure of a conflict will be given such weight as the SFA Principal in its judgment deems appropriate. Written consent to a conflict is not required.

b. Manage Conflicts



A SFA Professional must adopt and follow business practices reasonably designed to prevent Material Conflicts of Interest from compromising the SFA Professional's ability to act in the Client's best interests.

6. SOUND AND OBJECTIVE PROFESSIONAL JUDGMENT

A SFA Professional must exercise professional judgment on behalf of the Client that is not subordinated to the interest of the SFA Professional or others. A SFA Professional may not solicit or accept any gift, gratuity, entertainment, non-cash compensation, or other consideration that reasonably could be expected to compromise the SFA Professional's objectivity.

7. PROFESSIONALISM

A SFA Professional must treat Clients, prospective Clients, fellow professionals, and others with dignity, courtesy, and respect.

8. COMPLY WITH THE LAW

- a. A SFA Professional must comply with the laws, rules and regulations governing Professional Services.
- b. A SFA Professional may not intentionally or recklessly participate or assist in another person's violation of these Standards or the laws, rules, or regulations governing Professional Services.

9. CONFIDENTIALITY AND PRIVACY

A SFA Professional must keep confidential and may not disclose any non-public personal information about any prospective, current, or former Client except that the SFA Professional may disclose information:

- a. For ordinary business purposes:
 - i. With the Client's consent, so long as the client has not withdrawn the consent;



- ii. To a SFA Professional's Firm or other persons with whom the SFA Professional is providing services to or for the Client, when necessary to perform those services;
 - iii. As necessary to provide information to the SFA Professional's attorneys, accountants, and auditors; and
 - iv. To a person acting in a representative capacity on behalf of the client.
- b. For legal and enforcement purposes:
- i. To law enforcement authorities concerning suspected unlawful activities, to the extent permitted by the law;
 - ii. As required to comply with federal, state, or local law;
 - iii. As required to comply with a proper authorized civil, criminal, or regulatory investigation or examination, or subpoena or summons, by a governmental authority;
 - iv. As necessary to defend against allegations of wrongdoing made by a governmental authority;
 - v. As necessary to present a civil claim against, or defend against a civil claim raised by a Client;
 - vi. As required to comply with a request from the SFA Principal concerning an investigation or adjudication; and
 - vii. As necessary to provide information to professional organizations that are assessing the SFA Professional's compliance with Professional Standards.

A SFA Professional may not use any non-public personal information about a Client for his or her direct or indirect personal benefit, whether or not it causes detriment to the client, unless the client consents.

A SFA Professional, either directly or through the SFA Professional's Firm, must take reasonable steps to protect the security of non-public personal information about any client, including the security of information stored physically or electronically, from unauthorized access that could result in harm or inconvenience to the client.

A SFA Professional, either directly or through the SFA Professional's Firm, must adopt and implement policies regarding the protection, handling, and sharing of a client's non-public personal information and must provide a client



with written notice of those policies at the time of the Engagement and thereafter not less than annually (at least once in any 12-month period) unless (i) the SFA Professional's policies have not changed since the last notice sent to a client; and (ii) the SFA Professional does not disclose non-public personal information other than as permitted without a client's consent.

A SFA Professional shall be deemed to comply with this Section if the SFA Professional's Firm is subject to, and the SFA Professional Complies with, Regulation S-P under the federal securities laws or substantially equivalent federal or state laws or rules.

10. PROVIDE INFORMATION TO A CLIENT

When Providing Financial Advice

When providing or agreeing to provide Financial Advice that does not require Financial Planning in accordance with the Practice Standards, a SFA Professional must provide the following information to the Client, prior to or at the time of the Engagement, and document that the information has been provided to the Client:

- a. A description of the services and products to be provided;
- b. How the Client pays for the products and services, and a description of the additional types of costs that the Client may incur, including product management fees, surrender charges, and sales loads;
- c. How the SFA Professional, the SFA Professional's Firm and any Related Party are compensated for providing the products and services;
- d. The existence of any public discipline or bankruptcy and the location(s), if any, of the webpages of all relevant public websites of any governmental authority, self-regulatory organization or professional organization that sets forth the SFA Professional's public disciplinary history or any other personal bankruptcy or business bankruptcy where the SFA Professional was a Control Person;
- e. The information required pertaining to Conflicts of Interest;
- f. The information required pertaining to SFA Privacy Policy
- g. The information required pertaining to Referral/Engagement of Additional Persons/Businesses



- h. Any other information about the SFA Professional or the SFA Professional's Firm that is Material to a Client's decision to engage or continue to engage the SFA Professional or the SFA Professional's Firm.

When Providing Financial Planning

When providing or required to provide Financial Planning in accordance with the Practice Standards, a SFA Professional must provide the following information to the Client, prior to or at the time of the Engagement, in one or more written documents.

- a. The information required to be provided in all sections above.
- b. The terms of the Engagement between the Client and the SFA Professional or the SFA Professional's Firm, including the Scope of Engagement and any limitations, the period(s) during which the services will be provided, and the Client's responsibilities. A SFA Professional is responsible for implementing, monitoring, and updating the Financial Planning recommendation(s) unless specifically excluded from the Scope of Engagement.

Updating Information

A SFA Professional has an ongoing obligation to provide to the Client, any information that is a Material change or update to the information required to be provided to the Client. Material changes and updates to public disciplinary history or bankruptcy information must be disclosed to the Client within ninety (90) days, together with the location(s) of the relevant webpages.

11. DUTIES WHEN COMMUNICATING WITH A CLIENT

A SFA Professional must provide a Client with accurate information, in accordance with the Engagement, and in response to reasonable Client requests, in a manner and format that a Client reasonably may be expected to understand.

12. DUTIES WHEN REPRESENTING COMPENSATION METHOD



A SFA Professional may not make false or misleading representations regarding the SFA Professional's or the SFA Professional's Firm's method(s) of compensation.

Specific Representations

a. Fee-Only

A SFA Professional may represent his or her or the SFA Professional's Firm's compensation as "fee only" only if:

- i. The SFA Professional and the SFA Professional's Firm receive no Sales-Related Compensation; and
- ii. Related Parties receive no Sales-Related Compensation in connection with any Professional Services the SFA Professional or the SFA Professional's Firm provides to Clients.

b. Fee-Based

The SFA Principal uses the term "fee and commission" to describe the compensation method of those who receive both fees and Sales-Related Compensation. A SFA Professional who represents that his/her/their or the SFA Professional's Firm's compensation method is "fee-based" or any other similar term that is not fee-only:

- i. May not use the term in a manner that suggests the SFA Professional or the SFA Professional's Firm is fee-only; and
- ii. Must clearly state that either the SFA Professional or the SFA Professional's Firm earns fees and commissions, or that the SFA Professional or the SFA Professional's Firm are not fee-only.

c. Sales-Related Compensation

Sales-Related Compensation is more than a de minimis economic benefit, including any bonus or portion of compensation, resulting from a Client purchasing or selling Financial Assets, from a Client holding Financial Assets for purposes other than receiving Financial Advice, or from the



referral of a Client to any person or entity other than the SFA Professional's Firm. Sales-Related Compensation includes, for example, commissions, trailing commissions, 12b-1 fees, spreads, transaction fees, revenue sharing, referral or solicitor fees, or similar consideration. Sales-Related Compensation does not include:

- i. Soft dollars (any research or other benefits received in connection with Client brokerage that qualifies for the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934);
- ii. Reasonable and customary fees for custodial or similar administrative services if the fee or amount of the fee is not determined based on the amount or value of Client transactions;
- iii. Non-monetary benefits provided by another service provider, including a custodian, that benefit the SFA Professional's Clients by improving the SFA Professional's delivery of Professional Services, and that are not determined based on the amount or value of Client transactions;
- iv. Reasonable and customary fees for Professional Services, other than for solicitations and referrals, the SFA Professional or SFA Professional's Firm provides to a Client that are collected and distributed by another service provider, including a Turnkey Asset Management Platform; or
- v. A fee the Related Party solicitor receives for soliciting clients for the SFA Professional or the SFA Professional's Firm.

d. Related Party

A person or business entity (including a trust) whose receipt of Sales-Related Compensation a reasonable SFA Professional would view as directly or indirectly benefitting the SFA Professional or the SFA Professional's Firm, including, for example, as a result of the SFA Professional's ownership stake in the business entity. There is a rebuttable presumption that a Related Party includes:

- i. Family Members – a member of the SFA Professional's Family and any business entity that the Family or members of the Family Control; and



- ii. Business Entities – a business entity that the SFA Professional or the SFA Professional’s Firm Controls, or that is Controlled by or is under common Control with, the SFA Professional’s Firm.

e. In Connection with any Professional Services

Sales-Related Compensation received by a Related Party is “in connection with any Professional Services” if it results, directly or indirectly, from Client transactions referred or facilitated by the SFA Professional or the SFA Professional’s Firm.

f. Safe Harbor for Related Parties

Sales-Related Compensation received by a Related Party is not “in connection with any Professional Services” if the SFA Professional or the SFA Professional’s Firm adopts and implements policies and procedures reasonably designed to prevent the SFA Professional or the SFA Professional’s Firm from recommending that any Client purchase Financial Assets from or through, or refer any Clients to, the Related Party.

g. Misrepresentation by a SFA Professional’s Firm

A SFA Professional who Controls the SFA Professional’s Firm may not allow the SFA Professional’s Firm to make a representation of compensation method that would be false or misleading if made by the SFA Professional. A SFA Professional who does not Control the SFA Professional’s Firm must correct a SFA Professional’s Firm’s misrepresentations of compensation method by accurately representing the SFA Professional’s compensation method to the SFA Professional’s Clients.

13. DUTIES WHEN RECOMMENDING, ENGAGING AND WORKING WITH ADDITIONAL PERSONS



- a. When engaging or recommending the selection or retention of additional persons to provide financial or Professional Services for a Client, a SFA Professional must:
 - i. Have a reasonable basis for the recommendation or Engagement based on the person's reputation, experience, and qualifications;
 - ii. Disclose to the Client, at the time of the recommendation or prior to the Engagement, any arrangement by which someone who is not the Client will compensate or provide some other material economic benefit to the SFA Professional, the SFA Professional's Firm, or Related Party for the recommendation or Engagement; and
 - iii. When engaging a person to provide services for a Client, exercise reasonable care to protect the Client's interests.

- b. When working with another financial or Professional Services provider on behalf of a client, a SFA Professional must:
 - i. Communicate with the other provider about the scope of their respective services and the allocation of responsibility between them; and
 - ii. Inform the Client in a timely manner if the SFA Professional has a reasonable belief that the other provider's services were not performed in accordance with the scope of services to be provided and the allocation of responsibilities.

14. DUTIES WHEN SELECTING, USING, AND RECOMMENDING TECHNOLOGY.

- a. A SFA Professional must exercise reasonable care and judgment when selecting, using, or recommending any software, digital advice tool, or other technology while providing Professional Services to a Client.

- b. A SFA Professional must have a reasonable level of understanding of the assumptions and outcomes of the technology employed.

- c. A SFA Professional must have a reasonable basis for believing that the technology produces reliable, objective, and appropriate outcomes.



15. REFRAIN FROM BORROWING OR LENDING MONEY AND COMMINGLING FINANCIAL ASSETS

- a. A SFA Professional may not, directly or indirectly, borrow money from or lend money to a Client unless:
 - i. The Client is a member of the SFA Professional's Family; or
 - ii. The lender is a business organization or legal entity in the business of lending money.

- b. A SFA Professional may not commingle a Client's Financial Assets with the Financial Assets of the SFA Professional or the SFA Professional's Firm.

B. FINANCIAL PLANNING AND APPLICATION OF THE PRACTICE STANDARDS FOR THE FINANCIAL PLANNING PROCESS

1. FINANCIAL PLANNING DEFINITION

Financial Planning is a collaborative process that helps maximize a Client's potential for meeting life goals through Financial Advice that integrates relevant elements of the Client's personal and financial circumstances.

2. EXAMPLES OF RELEVANT ELEMENTS OF THE CLIENT'S PERSONAL AND FINANCIAL CIRCUMSTANCES

Relevant elements of personal and financial circumstances vary from Client to Client, and may include the Client's need for or desire to: develop goals, manage assets and liabilities, manage cash flow, identify and manage risks, identify and manage the financial effect of health considerations, provide for educational needs, achieve financial security, preserve or increase wealth, identify tax considerations, prepare for retirement, pursue philanthropic interests, and address estate and legacy matters.

3. APPLICATION OF PRACTICE STANDARDS

The Practice Standards set forth in the Financial Planning Process



A SFA Professional must comply with the Practice Standards when:

- a. The SFA Professional agrees to provide or provides:
 - i. Financial Planning; or
 - ii. Financial Advice that requires integration of relevant elements of the Client's personal and/or financial circumstances in order to act in the Client's best interests ("Financial Advice that Requires Financial Planning"); or
- b. The Client has a reasonable basis to believe the SFA Professional will provide or has provided Financial Planning.

4. INTEGRATION FACTORS

Among the factors that the SFA Principal will weigh in determining whether a SFA Professional has agreed to provide or provided Financial Advice that Requires Financial Planning are:

- a. The number of relevant elements of the Client's personal and financial circumstances that the Financial Advice may affect;
- b. The portion and amount of the Client's Financial Assets that the Financial Advice may affect;
- c. The length of time the Client's personal and financial circumstances may be affected by the Financial Advice;
- d. The effect on the Client's overall exposure to risk if the Client implements the Financial Advice; and
- e. The barriers to modifying the actions taken to implement the Financial Advice



5. SFA PRINCIPAL EVALUATION

In a disciplinary proceeding in which a SFA Professional denies the SFA Principal's allegation that the SFA Professional was required to comply with the Practice Standards, the SFA Professional must demonstrate that the compliance with the Practice Standards was not required.

6. NO CLIENT AGREEMENT TO ENGAGE FOR FINANCIAL PLANNING

If a SFA Professional otherwise must comply with the Practice Standards, but the Client does not agree to engage the SFA Professional to provide Financial Planning, the SFA Professional must either:

- a. Not enter into the Engagement
- b. Limit the Scope of Engagement to services that do not require application of the Practice Standards, and describe to the Client the services the Client requests that the SFA Professional will not be performing;
- c. Provide the requested services after informing the Client how Financial Planning would benefit the Client and how the decision not to engage the SFA Professional to provide Financial Planning may limit the SFA Professional's Financial Advice, in which case, the SFA Professional is not required to comply with the Practice Standards; or
- d. Terminate the Engagement.

C. PRACTICE STANDARDS FOR THE FINANCIAL PLANNING PROCESS

In complying with the Practice Standards, a SFA Professional must act prudently in documenting information, as the facts and circumstances require, taking into account the significance of the information, the need to preserve the information in writing, the obligation to act in the Client's best interests and the SFA Professional's Firm's policies and procedures.

1. UNDERSTANDING THE CLIENT'S PERSONAL AND FINANCIAL CIRCUMSTANCES



a. Obtaining Qualitative and Quantitative Information

A SFA Professional must describe to the Client the qualitative and quantitative information concerning the Client's personal and financial circumstances needed to fulfill the Scope of Engagement and collaborate with the Client to obtain the information.

- i. Examples of qualitative or subjective information include the Client's health, life expectancy, family circumstances, values, attitudes, expectations, earnings potential, risk tolerance, goals, needs, priorities, and current course of action.
- ii. Examples of quantitative or objective information include the Client's age, dependents, other professional advisors, income, expenses, cash flow, savings, assets, liabilities, available resources, liquidity, taxes, employee benefits, government benefits, insurance coverage, estate plans, education and retirement accounts and benefits, and capacity for risk.

b. Analyzing Information

A SFA Professional must analyze the qualitative and quantitative information to assess the Client's personal and financial circumstances.

c. Addressing Incomplete Information

If unable to obtain information necessary to fulfill the Scope of Engagement, the SFA Professional must either limit the Scope of Engagement to those services the SFA Professional is able to provide or terminate the Engagement

2. IDENTIFYING AND SELECTING GOALS

a. Identifying Potential Goals

A SFA Professional must discuss with the Client, the SFA Professional's assessment of the Client's financial and personal circumstances, and help the Client identify goals, noting the effect that selecting a particular goal may have on other goals. In helping the Client identify goals, the SFA



Professional must discuss with the Client, and apply reasonable assumptions and estimates. These may include life expectancy, inflation rates, tax rates, investment returns, and other Material assumptions and estimates.

b. **Selecting and Prioritizing Goals**

A SFA Professional must help the Client select and prioritize goals. The SFA Professional must discuss with the Client any goals the Client has selected that the SFA Professional believes are unrealistic.

3. ANALYZING THE CLIENT'S CURRENT COURSE OF ACTION AND POTENTIAL ALTERNATIVE COURSE(S) OF ACTION

a. **Analyzing Current Course of Action**

A SFA Professional must analyze the Client's current course of action, including the material advantages and disadvantages of the current course and whether the current course maximizes the potential for meeting the Client's goals.

b. **Analyzing Potential Alternative Courses of Action**

Where appropriate, a SFA Professional must consider and analyze one or more potential alternative courses of action, including the material advantages and disadvantages of each alternative, whether each alternative helps maximize the potential for meeting the Client's goals and how each alternative integrates the relevant elements of the Client's personal and financial circumstances.

4. DEVELOPING THE FINANCIAL PLANNING RECOMMENDATION(S)

From the potential courses of action, a SFA Professional must select one or more recommendations to maximize the potential for meeting the Client's goals. The recommendation may be to continue the Client's current course of action. For each recommendation selected, the SFA Professional must consider the following information.

a. **The assumptions and estimates used to develop the recommendation;**



- b. The basis for making the recommendation, including how the recommendation is designed to maximize the potential to meet the Client's goals, the anticipated material effects of the recommendation on the Client's financial and personal circumstances, and how the recommendation integrates relevant elements of the Client's personal and financial circumstances.
- c. The timing and priority of the recommendation; and
- d. Whether the recommendation is independent or must be implemented with another recommendation.

5. PRESENTING THE FINANCIAL PLANNING RECOMMENDATION(S)

A SFA Professional must present to the Client the selected recommendations and the information that was required to be considered when developing the recommendation(s).

6. IMPLEMENTING THE FINANCIAL PLANNING RECOMMENDATION(S)

a. Addressing Implementation Responsibilities

A SFA Professional must establish with the Client whether the SFA Professional has implementation responsibilities. When the SFA Professional has implementation responsibilities the SFA Professional must communicate to the Client the recommendation(s) being implemented and the responsibilities of the SFA Professional, the Client, and any third party with respect to implementation.

b. Identifying, Analyzing and Selecting Actions, Products and Services

A SFA Professional who has implementation responsibilities must identify and analyze actions, products, and services designed to implement the recommendations. The SFA Professional must consider the basis for each selection which must include:



- i. How the action, product, or service is designed to implement the SFA Professional's recommendation; and
- ii. The advantages and disadvantages of the action, product, or service relative to reasonably available alternatives.

c. Recommending Actions, Products, and Services for Implementation

A SFA Professional who has implementation responsibilities must recommend one or more actions, products, and services to the Client. The SFA Professional must discuss with the Client the basis for selecting an action, product, or service, the timing and priority of implementing the action, product, or service and disclose and manage any Material Conflicts of Interest concerning the action, product, or service.

d. Selecting and Implementing Actions, Products, or Services

A SFA Professional who has implementation responsibilities, must help the Client select and implement the actions, products, or services. The SFA Professional must discuss with the Client any Client selection that deviates from the actions, products, and services the SFA Professional recommended.

7. MONITORING PROGRESS AND UPDATING

a. Monitoring and Updating Responsibilities

A SFA Professional must establish with the Client whether the SFA Professional has monitoring and updating responsibilities. When the SFA Professional has responsibilities for monitoring and updating, the SFA Professional must communicate to the Client:

- i. Which actions, products, and services are and are not subject to the SFA Professional's monitoring responsibility;
- ii. How and when the SFA Professional will monitor the actions, products, and services;
- iii. The Client's responsibility to inform the SFA Professional of any Material changes to the Client's qualitative and quantitative information;



- iv. The SFA Professional's responsibility to update the Financial Planning recommendation(s); and
- v. How and when the SFA Professional will update the Financial Planning recommendation(s).

b. Monitoring the Client's Progress

A SFA Professional who has monitoring responsibilities must analyze, at appropriate intervals, the progress toward achieving the Client's goals. The SFA Professional must review with the Client the results of the SFA Professional's analysis.

c. Obtaining Current Qualitative and Quantitative Information

A SFA Professional who has monitoring responsibility must collaborate with the Client in an attempt to obtain current qualitative and quantitative information concerning the Client's personal and financial circumstances.

d. Updating Goals, Recommendations, or Implementation Decisions

Where a SFA Professional has updating responsibility, and circumstances warrant changes to the Client's goals, recommendations, or selections of actions, products, or services, the SFA Professional must update as appropriate in accordance with these Practice Standards.

D. DUTIES OWED TO FIRMS AND SUBORDINATES

1. USE REASONABLE CARE WHEN SUPERVISING

A SFA Professional must exercise reasonable care when supervising persons acting under the SFA Professional's direction, including employees and other persons over whom the SFA Professional has responsibility, with a view toward preventing violations of applicable laws, rules, regulations, and these Standards.

2. COMPLY WITH LAWFUL OBJECTIVES OF SFA PROFESSIONAL'S FIRM

A SFA Professional will:



- a. Be subject to discipline by the SFA Principal for violating policies and procedures of the SFA Professional's Firm that do not conflict with these Standards.
- b. Will not be subject to discipline by the SFA Principal for violating policies and procedures of the SFA Professional's Firm that conflict with these Standards.

3. PROVIDE NOTICE OF PUBLIC DISCIPLINE

A SFA Professional must promptly advise the SFA Professional's Firm, in writing, of any public discipline imposed by the SFA Principal.

E. DUTIES OWED TO THE SFA PRINCIPAL

1. DEFINITIONS

a. Felony

A felony offense, or for jurisdictions that do not differentiate between a felony and a misdemeanor, an offense punishable by a sentence of at least one-year imprisonment or a fine of at least \$1,000.

b. Relevant Misdemeanor

A criminal offense, that is not a Felony, for conduct involving fraud, theft, misrepresentation, other dishonest conduct, crimes of moral turpitude, violence, or a second (or more) alcohol and/or drug-related offense.

c. Regulatory Investigation

An investigation initiated by a federal, state, local, or foreign governmental agency, self-regulatory organization, or other regulatory authority. A Regulatory Investigation does not include preliminary routine regulatory inquiries or requests for information, deficiency letters, "blue sheet" requests or other trading questionnaires, or examinations.



d. Regulatory Action

An action initiated by a federal, state, local, or foreign governmental agency, self-regulatory organization, or other regulatory authority.

e. Civil Action

A lawsuit or arbitration.

f. Finding

A finding includes an adverse final action and a consent decree in which the finding is neither admitted nor denied, but does not include a deficiency letter, examination report, memorandum of understanding, or similar informal resolution of a matter.

g. Minor Rule Violation

A violation of a self-regulatory organization rule designated as a minor rule violation under a plan approved by the U.S. Securities and Exchange Commission. A rule violation may be designated as “minor” under a plan if the sanction imposed consists of a fine of \$2,500 or less, and if the sanctioned person does not contest the fine.

2. REFRAIN FROM ADVERSE CONDUCT

A SFA professional may not engage in conduct that reflects adversely on his or her integrity or fitness as a SFA Professional, upon the SFA marks, or upon the profession. Such conduct includes, but is not limited to, conduct that results in:

- a. A Felony or Relevant Misdemeanor conviction, or admission into a program that defers or withholds the entry of a judgment of conviction for a Felony or Relevant Misdemeanor;
- b. A Finding in a Regulatory Action or a Civil Action that the SFA Professional engaged in fraud, theft, misrepresentation, or other dishonest conduct;



- c. A personal bankruptcy or business bankruptcy filing or adjudication where the SFA Professional was a Control Person of the business, unless the SFA Professional can rebut the presumption that the bankruptcy demonstrates an inability to manage responsibly the SFA Professional's or the business's financial affairs;
- d. A federal tax lien on property owned by the SFA Professional, unless the SFA Professional can rebut the presumption that the federal tax lien demonstrates an inability to manage responsibility the SFA Professional's financial affairs; or
- e. A non-federal tax lien, judgment lien, or civil judgment that has not been satisfied within a reasonable amount of time unless the SFA Professional can rebut the presumption that the non-federal tax lien, judgment lien, or civil judgment demonstrates an inability to manage responsibility the SFA Professional's financial affairs.

3. REPORTING

A SFA Professional must provide written notice to the SFA Principal within thirty (30) calendar days after the SFA Professional, or an entity over which the SFA Professional was a Control Person has:

- a. Been charged with, convicted of, or admitted into a program that defers or withholds the entry of a judgment or conviction for, a Felony or Relevant Misdemeanor;
- b. Been named as a subject of, or whose conduct is mentioned adversely in, a Regulatory Investigation or Regulator Action alleging failure to comply with the laws, rules, or regulations governing Professional Services;
- c. Had conduct mentioned adversely in a Finding in a Regulatory Action involving failure to comply with the laws, rules, or regulations governing Professional Services (except a Regulatory Action involving a Minor Rule Violation in a Regulatory Action brought by a self-regulatory organization);



- d. Had conduct mentioned adversely in a Civil Action alleging failure to comply with the laws, rules, or regulations governing Professional Services;
- e. Become aware of an adverse arbitration award or civil judgment, or a settlement agreement, in a Civil Action alleging failure to comply with the laws, rules, or regulations governing Professional Services, where the conduct of the SFA Professional, or an entity over which the SFA Professional was a Control Person, was mentioned adversely, other than a settlement amount for an amount less than \$15,000.
- f. Had conduct mentioned adversely in a Civil Action alleging fraud, theft, misrepresentation, or other dishonest conduct;
- g. Been the subject of a Finding of fraud, theft, misrepresentation, or other dishonest conduct in a Regulatory Action or Civil Action;
- h. Become aware of an adverse arbitration award or civil judgment, or a settlement agreement in a Civil Action alleging fraud, theft, misrepresentation, or other dishonest conduct, where the conduct of the SFA Professional, or an entity over which the SFA Professional was a Control Person, was mentioned adversely;
- i. Had a professional license, certification, or membership suspended, revoked, or materially restricted because of a violation of rules or standards of conduct;
- j. Been terminated for cause from employment or permitted to resign in lieu of termination when the cause of the termination or resignation involved allegations of dishonesty, unethical conduct, or compliance failures;
- k. Been named as the subject of, or been identified as the broker/adviser of record in, any written, customer-initiated complaint that alleged the SFA Professional was involved in:
 - i. Forgery, theft, misappropriation, or conversion of Financial Assets;



- ii. Sales practice violations and contained a claim for compensation of \$5,000 or more; or
 - iii. Sales practice violations and settled for an amount of \$15,000 or more.
- l. Filed for or been the subject of a personal bankruptcy or business bankruptcy where the SFA Professional was a Control Person.
 - m. Received notice of a federal tax lien on a property owned by the SFA Professional; or
 - n. Failed to satisfy a non-federal tax lien, judgment lien, or civil judgment within one year of its date of entry, unless payment arrangements have been agreed upon by all parties.
4. PROVIDE NARRATIVE STATEMENT

The written notice must include a narrative statement that accurately and completely describes the Material facts and the outcome or status of the reportable matter.

5. COOPERATION

A SFA Professional may not make false or misleading representations to the SFA Principal or obstruct the SFA Principal in the performance of their duties. A SFA Professional must satisfy the cooperation requirements set forth in the SFA Principals *Procedural Rules*, including by cooperating fully with the SFA Principal's requests, investigations, disciplinary proceedings, and disciplinary decisions.

6. COMPLIANCE WITH TERMS AND CONDITIONS OF CERTIFICATION AND TRADEMARK LICENSE

A SFA Professional must comply with the *Terms and Conditions of Certification and Trademark License*



F. PROHIBITION ON CIRCUMVENTION

A SFA Professional may not do indirectly, or through or by another person or entity, any act or thing that the *Code and Standards* prohibit the SFA Professional from doing directly.

GLOSSARY

SFA Professional's Firm(s)

Any entity on behalf of which a SFA Professional provides Professional Services to a Client, and that has the authority to exercise control over the SFA Professional's activities, including the SFA Professional's employer, broker-dealer, registered investment advisor, insurance company, and insurance agency.

Client

Any person, including a natural person, business organization, or legal entity to whom the SFA Professional provides or agrees to provide Professional Services pursuant to an Engagement.

Conflict of Interest

1. When a SFA Professional's interests (including the interests of the SFA Professional's Firm) are adverse to the SFA Professional's duties to a client; or
2. When a SFA Professional has duties to one Client that are adverse to another Client.

Control

The power, directly or indirectly, to direct the management or policies of the entity at the relevant time, through ownership, by contract, or otherwise.

Control Person

A person who has Control.

Engagement

An oral or written agreement, arrangement, or understanding.

Family

Grandparent, parent, step-parent, father-in-law/mother-in-law, uncle/aunt, spouse, former spouse, spousal equivalent, domestic partner, brother/sister, step-sibling, brother-in-law/sister-in-law, cousin, son/daughter, step-child, son-in-law/daughter-in-law, nephew/niece, grandchild, and any other person the SFA Professional, directly, or indirectly, supports financially to a material extent.

Financial Advice

1. A communication that, based on its content, context, and presentation, would reasonably be viewed as a recommendation that the Client take or refrain from taking a particular course of action with respect to:
 - a. The development or implementation of a financial plan;
 - b. The value of or the advisability of investing in, purchasing, holding, gifting, or selling Financial Assets;
 - c. Investment policies or strategies, portfolio composition, the management of Financial Assets, or other financial matters; or
 - d. The selection and retention of other persons to provide financial or Professional Services to the Client.

2. The exercise of discretionary authority over the Financial Assets of a Client.

The determination of whether the Financial Advice has been provided is an objective rather than subject inquiry. The more individually tailored the communication is to the Client, the more likely the communication will be viewed as Financial Advice. The provision of services or the furnishing or making available of marketing materials, general financial education materials, or general financial communications that a reasonable SFA Professional would not view as Financial Advice, does not constitute Financial Advice.

Financial Assets



Securities, insurance products, real estate, bank instruments, commodities contracts, derivative contracts, collectibles, or other financial products.

Financial Planning

A collaborative process that helps maximize a Client's potential for meeting life goals through Financial Advice that integrates relevant elements of the Client's personal and financial circumstances.

Material

Information is material when a reasonable Client or prospective Client would consider the information important in making a decision.

Professional Services

Financial Advice and related activities and services that are offered or provided, including, but not limited to, Financial Planning, legal, accounting, or business planning services.

Related Party

A person or business entity (including a trust) whose receipt of Sales-Related Compensation a reasonable SFA Professional would view as benefitting the SFA Professional or the SFA Professional's Firm, including, for example, as a result of the SFA Professional's ownership stake in the business entity. There is a rebuttable presumption that a Related Party includes:

1. Family Members – A member of the SFA Professional's Family and any business entity that the Family or members of the Family, Control; and
2. Business Entities – A business entity that the SFA Professional or the SFA Professional's Firm, Controls, or that is Controlled by or is under common Control With, the SFA Professional's Firm.

Scope of Engagement

The Professional Services to be provided pursuant to an Engagement.