

**Item 1 – Cover Page – Wrap Fee Brochure**

**Salomon and Ludwin, LLC**

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Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and “Salomon and Ludwin” (us, we, our).

This Wrap Fee Brochure provides information about the qualifications and business practices of Salomon and Ludwin, LLC. If you have any questions about the contents of this Brochure, please contact us at (804) 965-5403 and/or [buddy.doyle@oysterllc.com](mailto:buddy.doyle@oysterllc.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Salomon and Ludwin, LLC is a federally registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Salomon and Ludwin, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Since our last Annual Updating Amendment in March 2021, the following events occurred: In October 2021, Jacob Salomon acquired a minority ownership interest in Salomon and Ludwin. Item 4. Services, Fees and Compensation has changed to reflect our fee for \$2,000,000 - \$2,500,000 in assets and provides for minimum fees for clients that fall below \$2,000,000 in assets and discusses fee changes to our Wrap Program.

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## **Item 4 – Services, Fees and Compensation**

Salomon and Ludwin, LLC (“Salomon and Ludwin”) is a limited liability company organized in the state of Virginia. The firm was founded in November 2009 by Dalal Salomon and Daniel Ludwin. The firm employs a consultative approach to financial planning.

Salomon and Ludwin, LLC specializes in managing financial assets for individuals, families, estates, trusts, and group retirement plans. The firm is primarily focused on the selection and monitoring of specific non-proprietary investments, then using these investments inside actively managed accounts. Advisory services are typically performed in exchange for a fee which is calculated as a fractional percentage of assets managed. (see item 5 for details of our fees).

At Salomon and Ludwin, we recognize that each client has individual objectives and goals, which are determined during the initial consultation, and reaffirmed periodically. Clients determine the level of risk they are willing to take with their assets and their estimated time horizon. The term “time horizon” refers to the amount of time clients feel they have before they think they will start spending the assets in their account, whether it be for their own retirement or some other financial objective. Our advice requires an understanding of your financial condition, goals, and tolerance for risk.

At Salomon & Ludwin, we believe that our clients engage with us for the advice and services we provide, along with our portfolio management strategies. Although, where applicable, transaction costs are covered by our wrap fee, they are not a significant component of our value proposition.

### **Fee for Advice & Portfolio Management**

For advice and portfolio management services, Salomon and Ludwin charges an aggregated fee, based on a percentage of total assets under management. The following schedule based on aggregate account value for client relationships established after June 2018 is:

<b>Asset Level</b>	<b>Rate at Asset Level</b>	<b>Blended Fee Rate</b> (maximum asset level)
\$2,000,000 to \$2,500,000	0.85%	0.85%
\$2,500,000 to \$5,000,000	0.70%	0.78%
\$5,000,000 to \$7,500,000	0.60%	0.72%
\$7,500,000 to \$10,000,000	0.50%	0.66%
\$10,000,000 to \$12,500,000	0.40%	0.61%
\$12,500,000 to \$15,000,000	0.30%	0.56%
\$15,000,000 to \$17,500,000	0.30%	0.52%
\$17,500,000 to \$20,000,000	0.30%	0.49%
\$20,000,000 to \$22,500,000	0.25%	0.47%
\$22,500,000 to \$25,000,000	0.25%	0.45%
\$25,000,000 to \$27,500,000	0.25%	0.43%
\$27,500,000 to \$30,000,000	0.15%	0.40%
\$30,000,000 to \$32,500,000	0.15%	0.38%
\$32,500,000 to \$35,000,000	0.10%	0.36%
\$35,000,000 to \$37,500,000	0.10%	0.35%
\$37,500,000 to \$40,000,000+	0.05%	0.33%

In May 2018, Salomon and Ludwin established a policy to only accept new relationships where the firm holds all eligible security investments for our clients and includes those assets in its fee billing process.

Our fees are based on a tiered system. We will not charge a fee to our clients of more than .85% for new relationships of \$2 million or more. Those clients that have more than \$2 million in assets will pay 0.85% on the first \$2.5 million and 0.70% on the next \$2.5 million and so on. If a client had \$5 million invested with us, the blended rate would be 0.78%.

Clients with assets below \$2 million are subject to household minimum fees of \$7,500 a year or as high as 1.75% annually, whichever is greater. We reserve the right to adjust our fees when we deem it to be appropriate.

Fees are documented in your investment advisory agreement.

Salomon and Ludwin uses money market/stable value funds and cash defensively and tactically in its management process, therefore assets invested in money market/stable value funds and cash are subject to Salomon and Ludwin's management fee.

We have instituted procedures to evaluate investment costs and will always attempt to find the lowest cost option. On occasion, we may invest in issues that are not the lowest cost for our clients.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last trading day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

At our discretion, we may combine the account values of family members to determine the applicable advisory fee. For example, we may combine account values for you, your spouse, joint accounts with your spouse, your minor children, and other types of related accounts. Combining account values will increase the calculated asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above. Salomon and Ludwin may in its sole discretion change the actual fee charged upon thirty days written notice to the client. Clients may accept the change or close the account.

### **Investment Advisory Agreement**

Both the description of services offered and the specific manner in which fees are charged by Salomon and Ludwin are established in the client's written "investment advisory agreement" with Salomon and Ludwin. Depending on the type of account, Salomon and Ludwin bills its fees on a quarterly basis. Individual clients are billed in advance. Salomon and Ludwin's fee is based on the total value of the account on the last day of the previous management period. Fees are typically deducted from the client's account. In rare circumstances and under a written agreement the client can elect to pay us directly. Either Salomon and Ludwin or their clients may terminate advisory agreements for any reason with written notice. Upon receipt of written notice of termination (or communication by the Brokerage firm or custodian), Salomon and Ludwin will cease all advisory work on the client's account as of that date.

### **Billing Process**

For advisory fees the account billing process is automated. Clients who wish to terminate their advisory arrangement with Salomon and Ludwin should notify us to be refunded any portion of prepaid advisory or administration fees. Salomon and Ludwin does not have the ability to control the underlying management or administration costs and fees charged by the custodians or by the investments offered or those held by the client. Salomon and Ludwin does not benefit from those costs and fees.

### **Other Fees and Compensation**

In certain circumstances, Salomon and Ludwin may determine that a fee-based account may not be in the best interest of the client. There are also situations in which clients want specific products which only pay commission compensation and charging a management fee on top of the commission would create a conflict of interest for Salomon and Ludwin. However, investment product commission structures vary, and therefore we cannot adequately address every conceivable situation and remedy

in this paragraph. Therefore, in those rare cases when our personnel offers commission-based products through outside non-affiliated business partners, Salomon and Ludwin will exclude those assets from the advisory fee calculation and subsequent billing.

Mutual funds, exchange-traded funds, and other investment company products also charge internal management fees/expenses which are disclosed in each fund's prospectus. Our clients may be able to invest directly in these products at a lower cost, but would not benefit from our planning, advice, investment strategies, and ongoing monitoring services.

While Salomon and Ludwin has instituted procedures to evaluate investment costs and will always attempt to find the lowest cost option, it can and will occasionally invest in securities that are not the lowest cost option for our clients. Our custodian also offers pricing options as it relates to our selection of securities. Salomon and Ludwin or our custodian will from time to time change our pricing structure which impacts our costs. Salomon and Ludwin has a conflict of interest as there is an economic benefit to Salomon and Ludwin to select lower transaction cost options that may not have the lowest costs for our clients. In October of 2019, TD Ameritrade discontinued charging separate brokerage charges to Salomon and Ludwin for US-listed stocks and ETF's, while continuing to charge for brokerage related to certain Mutual Funds and other unlisted and foreign equities as well as other non-equity securities traded. This change reduced the amount of account brokerage charges that Salomon Ludwin pays for under the Wrap Fee Program for Clients.

## **Item 5 – Account Requirements and Types of Clients**

As described in Item 4, Salomon and Ludwin offers advisory and planning services for individuals, families, trusts, and pension plans. Our typical clients are those who are experienced and comfortable with saving and investing for their retirement and their family's future, board members and/or trustees acting on behalf of the trust or for an organization they represent, and employers/business owners looking for an advisory group to assist them in making prudent decisions for their employees' retirement assets. In order to be able to offer our clients our most effective work, Salomon and Ludwin recommends (but does not require) that clients have at least \$2,000,000 in total manageable assets with the firm. This allows us to prudently diversify client accounts into lower-cost investment vehicles and avoid conflicts caused by certain investment minimums.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Salomon and Ludwin, LLC will act as Portfolio Manager for your account(s). Our team of Registered Investment Advisers is described in greater detail in the Supplemental Brochures provided to you.

## **Methods of Analysis & Investment Strategies**

Salomon and Ludwin employs a flexible investment strategy in the management of client assets. Salomon and Ludwin and its representatives may utilize open-ended, no-load, load-waived and/or non-transaction fee mutual funds, as well as domestic and foreign equity securities (common stock), exchange-traded funds ("ETFs"), and fixed income securities.

The first step in developing portfolios involves determining a suitable investment mix for each client. Investment experience, time horizon, financial goals, and investor psychology are all factors when creating each asset allocation.

In making investment decisions, we use a range of fundamental and technical factors provided to us by various sources. Fundamental factors may include, but are not limited to, measures such as earnings growth rates, return on capital, and dividend yield. Technical factors include measures such as price performance, volatility, and trading volume.

Salomon and Ludwin and/or its representatives may invest all or a significant portion of a client's assets in ETFs and/or mutual funds in order to employ the investment strategies described. We may also buy or sell individual securities or buy investments that employ inverse strategies if we believe the value of the security or market segment is likely to depreciate in value. Securities that employ inverse strategies seek to deliver the opposite of the performance of the index or benchmark that they track by engaging in short selling, swap agreements and/or futures contracts. An inverse strategy may offer leverage but may be more volatile and risky than traditional investment strategies due to their exposure to leverage and derivatives including total return swaps and futures. These strategies are typically designed to achieve their desired exposure on a short-term basis. Holding these types of securities for longer periods of time potentially increases their risk due to the effects of compounding and the difficulty of timing the market. As a part of our investment strategy and during periods in which we want to have limited market exposure, we may invest in money market/stable value funds or other short-term interest-bearing instruments.

All investment strategies inherently expose our clients to various types and varying degrees of risk. Below we discuss those risks in greater detail.

### **Risk of Loss**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock-in" the profit). As you know, stock markets and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, the performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

Salomon and Ludwin does not represent, warrant or imply that the services or methods of analysis used by Salomon and Ludwin can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that clients' goals or objectives will be achieved. Further, no promises or assumptions

can be made that the advisory services offered by Salomon and Ludwin will provide a better return than other investment strategies.

### **Performance-Based Fees**

Salomon and Ludwin does not currently accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client. Our advisory fee compensation is charged only as disclosed above in Item 5.

### **Voting Client Securities**

Salomon and Ludwin does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Proxies are mailed to each client directly by the respective custodian.

From time to time, securities held in the accounts of clients may be the subject of class-action lawsuits. Salomon and Ludwin offers no legal services and therefore has no ability or obligation to determine if securities held by the client are subject to a pending or resolved class-action lawsuit. Where Salomon and Ludwin receives written or electronic notice of a class-action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate when the client has authorized contact in this manner.

## **Item 7 – Client Information Provided to Portfolio Managers**

In order to provide the Program services, we will share your private information with your account custodian, TD Ameritrade. We may also provide your private information to mutual fund companies and/or private managers as needed. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy.

### **Privacy Policy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to

anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you have questions about our privacy policies, contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

## **Item 8 – Client Contact with Portfolio Managers**

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account. You should contact your advisory representative with respect to changes in your investment objectives, risk tolerance, or requested restrictions placed on the management of your Program assets.

## **Item 9 – Additional Information**

### **Disciplinary Information**

Salomon and Ludwin has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

### **Other Financial Industry Activities and Affiliates**

Salomon and Ludwin does not have any undisclosed relationship or arrangement that is material to our advisory business or to our clients.

### **Professional Business Relationships**

You should be aware that Jacob Salomon, who provides investment advice on behalf of our firm, is licensed as an insurance agent. When a client or potential client comes to Salomon and Ludwin with existing insurance product holdings, it is sometimes in their best interest to keep those holdings.

There may also be times when we believe a client's best interests are served by insurance products that are only available for sale with commissions. In either of those cases, we will refer the client to Jacob, who will earn commission-based compensation for placing insurance products. Insurance commissions are separate from our advisory fees, and we will not charge advisory fees on the assets placed in commission-based products. While the practice of referring advisory clients to providers of commission-based products often creates a conflict of interest, we only recommend this course of action when we believe it is in the client's best interest. In order to mitigate the potential for conflict of interest, neither Salomon & Ludwin nor, the Salomon and Ludwin advisor who makes the referral, will be compensated for the sale of the product. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Salomon and Ludwin also maintains professional business relationships with various legal, accounting, recordkeeping, third-party administrators (TPAs), and other investment advisory and consulting firms, both locally and around the country. These informal relationships are created to share industry information and insight. Salomon and Ludwin does not receive any compensation or shared revenue with any of these entities to mitigate any conflicts of interest for our clients.

On October 6, 2020, the Charles Schwab Corporation, a provider of institutional custody services to financial advisors, purchased TD Ameritrade Holding Corporation, the parent company of TD Ameritrade. The TD Ameritrade broker-dealer entities for the time being will continue to operate as independent entities and plans will evolve over the next 12-36 months for the integration with Charles Schwab. Dalal Salomon and Dan Ludwin are members of the Schwab Advisory Board. While they do not receive any compensation, any potential benefits received by our custodian create potential conflicts of interest as it may indirectly influence Salomon and Ludwin's choice of TD Ameritrade for brokerage and custody services. The motivation to serve on this advisory board is to have a voice to advocate for improvements of industry custodial services. We provide feedback on our experience and our client's experience with the hope that our input will result in "Best in Class" service and offerings for Salomon & Ludwin clients.

### **Outside Brokerage Arrangements**

Although not considered a "related person", you should be aware that Jacob Salomon, who provides investment advice on behalf of our firm, is licensed as a registered representative of an unaffiliated broker/dealer. When a client or potential client comes to Salomon and Ludwin with existing brokerage product holdings such as Variable Annuities, Fixed Annuities, Life Insurance, or Long-Term Care Insurance, it is sometimes in their best interest to keep those holdings. There may also be times when we believe a client's best interests are served by investment products that are only available for sale with commissions. In either of those cases, we will refer the client to Jacob, who will earn commission-based compensation. Commissions are separate from our advisory fees, and we will not charge advisory fees on the assets placed in commission-based products. While the practice of referring advisory clients to providers of commission-based products often creates a conflict of interest, we only recommend this course of action when we believe it is in the client's best interest. In order to mitigate the potential for conflict of interest, the Salomon and Ludwin advisor who makes the referral and the firm will not be compensated for the sale of the product. You are under no obligation, contractually or otherwise, to purchase brokerage products through any person affiliated with our firm.

In October 2021, Jacob Salomon acquired a minority ownership interest in Salomon and Ludwin.

### **Solicitation Arrangements**

Salomon and Ludwin does not participate in any solicitation arrangements.

### **Code of Ethics**

In accordance with the Advisers Act, Rule 204A-1, Salomon and Ludwin has adopted a Code of Ethics. This Code of Ethics outlines all who are deemed to be access persons and mandates their compliance

with applicable regulations and federal laws. Additionally, these employees must engage in high ethical standards at all times and place the client's interest above their own. The Code of Ethics includes, but is not limited to, provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at Salomon and Ludwin must acknowledge the terms of the Code of Ethics annually, or as amended.

At the heart of this code is a requirement to always act in the best interest of our client and to fully disclose all fees, expenses, and any conflicts or potential conflicts of interest. A copy of this Code of Ethics will be provided to any client or prospective client upon request. Salomon and Ludwin's Code of Ethics mandates that our advisors act in the best interest of our clients. As such, if Salomon and Ludwin or its representatives offer any investment with which we have a conflict of interest, it must be disclosed in advance.

### **No Proprietary Investments**

At present, Salomon and Ludwin does not offer any investments in which our members, our representatives, or any person related to us, have a partnership or act as a general partner. Furthermore, Salomon and Ludwin does not offer any investments in which our members, our representatives, or any person related to us act as an investment advisor for an investment company.

### **Oversight of Trading Processes**

Salomon and Ludwin's employees and persons associated with Salomon and Ludwin are required to follow Salomon and Ludwin's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of Salomon and Ludwin may trade for their own accounts in securities that are recommended to, and/or purchased for, Salomon and Ludwin's clients. In addition, a related person may have an interest or position in a certain security or securities which may also be recommended to the clients. All access persons are required to report all personal securities transactions at the onset of being classified as an access person and for all subsequent personal transactions in order to prevent "Front-Running".

Records will be maintained for all securities or insurance products bought or sold by the firm, associated persons of the firm, and related entities. A principal of Salomon and Ludwin, or qualified representative of the firm, reviews these records on a quarterly basis.

In certain instances, IAR's trading in their own accounts or for related persons may create either actual or perceived conflicts of interest. As such, Salomon and Ludwin has established the following restrictions:

- A director, officer, or IAR shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation

with Salomon and Ludwin or the broker-dealer unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory clients.

- Salomon and Ludwin and its employees generally may not participate in private placements without pre-clearance from the Firm's Chief Compliance Officer.
- Salomon and Ludwin respects the right of clients to specify investment objectives, guidelines, and conditions or restrictions on the overall management of their accounts.
- Any individual not in observance of the above may be subject to termination.

Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored to reasonably prevent conflicts of interest between Salomon and Ludwin and its clients. As an adviser to our clients, our clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the client's favor.

### **Brokerage Practices**

We recommend the brokerage and custodial services of TD Ameritrade Institutional, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. TD Ameritrade Institutional is a division of TD Ameritrade Inc. and is an unaffiliated SEC-registered broker-dealer.

TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions.

There is no direct link between our participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that is typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third-party vendors.

The benefits received by Salomon and Ludwin or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. We believe that TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating the best execution. We also consider the quality of the brokerage

services provided by TD Ameritrade, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services TD Ameritrade provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere, however, TD Ameritrade often charges no commission.

Salomon and Ludwin guides clients through the application process and provides clients with all necessary information and disclosures related to its wrap program, including full disclosure related to all fees, investments risks, and suitability.

### **Client Directed Brokerage**

If the client directs that trades be executed through another Broker-Dealer, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by that Broker-Dealer. Salomon and Ludwin will assume no responsibility for obtaining the “best execution” of your trade. Additionally, the use of directed brokerage may negatively impact performance. The use of outside Broker-Dealers often results in external commissions, transaction costs, and other processing fees which are not included in your wrap program fees and which may not be readily apparent. These costs are not charged by Salomon and Ludwin and do not benefit the firm or its personnel.

### **Trade Aggregation**

Transactions for each client account generally will be executed independently unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. Salomon and Ludwin may (but is not obligated to) combine or “batch” such orders in an effort to obtain the best execution, to negotiate more favorable commission rates, or to allocate equitably among its client’s differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among Salomon and Ludwin's clients in proportion to the purchase and sale orders placed for each client account on any given day. If Salomon and Ludwin cannot obtain the execution of all the combined orders at prices or for transactions costs that it believes are desirable, the firm will allocate the securities that it does buy or sell as part of the combined orders by following Salomon and Ludwin' order allocation procedures. Salomon and Ludwin will aggregate and allocate trades when it believes, in its sole judgment, that it is to the benefit of its clients. However, this process may result in external commissions, transaction costs, and other processing fees which are not included in your wrap program fees and which may not be readily apparent. These costs are not charged by Salomon and Ludwin and do not benefit the firm or its personnel.

### **Research and Other Benefits**

TD Ameritrade provides Salomon and Ludwin with certain research and technology. TD Ameritrade may provide such services without cost or at a discount. Salomon and Ludwin receives the software and support because it renders investment services to clients that maintain assets at TD Ameritrade. TD Ameritrade provides certain research services to the Advisor without monetary cost. This practice,

known as “soft dollars,” creates an economic benefit that creates a conflict of interest since these benefits can influence Salomon and Ludwin’s choice of TD Ameritrade’s broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. These benefits may or may not benefit our advisory clients.

### **Review of Accounts**

Accounts will be reviewed internally on a regular basis. The client will be provided with written reports containing relevant information at least annually, and client accounts will be rebalanced as required. Reviews are conducted by Investment Advisor Representatives (IARs) of the firm. Salomon and Ludwin may also provide clients with quarterly performance reports of their managed accounts.

Accounts will also be reviewed by the Chief Compliance Officer, Buddy Doyle and/or his designee. Review of the accounts on a quarterly basis will be evidenced in writing and will be maintained by the Firm.

Clients will receive monthly statements from the custodian detailing all transactions made on their behalf. If the client's account has no activity, the custodian will provide a quarterly statement. This statement will include all deposits, withdrawals, as well as entries showing the associated management fees and expenses charged/debited from the client's accounts. These reports will show the current market values and transactions during the past month or quarter as well as interest, dividends, and capital gains for the reporting period. Statements provided by the custodian are the true representation of client account value and takes all precedence over account statements provided by the Firm.

### **Client Referrals and Other Compensation Referral Arrangements**

Salomon and Ludwin’s proprietary TriggerPoint technology patent is now owned exclusively by Salomon and Ludwin. We maintain a relationship with DynaLogic Signals to promote our TriggerPoint strategy to others. Salomon and Ludwin may receive some compensation as a result of this arrangement.

At this time Salomon and Ludwin does not pay any entity or person for referrals. At any time in the future, Salomon and Ludwin may enter into a referral arrangement and elect to compensate certain third parties for such referrals. Clients whose accounts are the subject of such referral fees will receive full disclosure of the terms of the referral arrangement. In no case will any referral payment reduce the value of the investment or reduce the assets in the client account or violate the terms of Salomon and Ludwin’s Code of Ethics.

### **Custody**

Accounts are held at TD Ameritrade Institutional which maintains custody of client accounts. The relationship between TD Ameritrade and Salomon and Ludwin is more fully described in Section 12.

You will receive account statements directly from your custodian at least quarterly. The statement will be sent to the email or postal mailing address you provided to the custodian. You should carefully review these statements promptly when you receive them. Salomon and Ludwin urges you

to carefully review such statements and compare such official custodial records to the account statements you will receive from us. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Statements provided by the custodian are the true representation of client account value and takes all precedence over account statements or reports provided by us.

While TD Ameritrade is considered the qualified custodian of your assets, Salomon and Ludwin may be deemed to have “custody” for limited situations such as those listed below:

- With your authorization, the firm deducts fees directly from your account.
- The firm accepts standing instructions for delivery of funds and securities from your account.
- The firm may, on occasion, accept a stock or other certificate or a check for deposit into your advisory account.

### **Investment Discretion**

Salomon and Ludwin manages money on a discretionary and non-discretionary basis. In most circumstances, clients grant Salomon and Ludwin complete discretion. Clients who open discretionary accounts are required to execute an Investment Advisory Agreement which, among other things, grants Salomon and Ludwin advisor representatives’ authority to manage client assets on a discretionary basis, meaning we have the authority to select the identity and amount of securities to be bought or sold in the clients’ account without obtaining specific client consent. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objective for the particular client account. For non-discretionary accounts, Salomon and Ludwin will contact the client prior to executing any transaction.

As mentioned above, clients may generally not impose restrictions on investing in certain securities or types of securities. When selecting securities and determining amounts, Salomon and Ludwin observes to the best of their abilities the investment policies, limitations, and restrictions of the clients for which it advises, if any. For registered investment companies, Salomon and Ludwin’s authority to trade securities may also be limited by certain federal securities and tax laws.

### **Financial Information**

Registered investment advisers are required in this Item to provide clients and prospective clients with certain financial information or disclosures about their firm’s financial condition. Salomon and Ludwin has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.