

**Item 1: Cover Page**

**Part 2A of Form ADV  
Firm Brochure**

March 9, 2023

**Sequoia Wealth Management, LLC**

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This brochure provides information about the qualifications and business practices of Sequoia Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 847-310-5900. 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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about Sequoia Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary. At this time there are no material changes.

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## Item 4: Advisory Business

### A. Ownership/Advisory History

Sequoia Wealth Management, LLC ("Sequoia Wealth," "we," "us," "our," and/or the "firm") is an Illinois limited liability company. Sequoia Wealth has been in business as an investment adviser since 2014 and is solely owned by Robert Lyman, who is also the Managing Member, Chief Compliance Officer, and an Investment Adviser Representative of the firm.

### B. Advisory Services Offered

#### Asset Management Services

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio consisting of securities and strategies described in Item 8 of this brochure. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio no less frequently than annually and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals, and objectives.

Clients have the right to provide us with any reasonable investment restrictions that should be imposed on the management of their portfolio, and should promptly notify us in writing of any changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals, and tolerance for risk. We will remind clients of their obligation to inform us of any such changes or any restrictions that should be imposed on the management of their account. We will also contact clients at least annually to determine whether there have been any changes in personal financial circumstances, investment objectives, and tolerance for risk.

#### Third-Party Money Managers

As part of our investment advisory services, we may recommend, through certain platform providers with whom Sequoia Wealth has engaged, a third-party money manager to manage all or a portion of the client's investment portfolio. Factors we take into consideration when making our recommendation include, but are not limited to, the money manager's performance, investment strategies, methods of analysis, advisory fees and other fees, assets under management, and the client's financial objectives and risk tolerance. We would generally retain authority to hire/fire the third-party money manager, and we regularly monitor the performance of the money manager to ensure its management and investment style remain aligned with the client's objectives and risk tolerance. Each third-party money manager maintains a separate disclosure document that will be provided directly to the client by Sequoia Wealth.

#### Third-Party Strategists

As part of our investment advisory services, we may recommend third-party strategists offered through certain platform providers with whom Sequoia Wealth has engaged. Such strategists effectively provide recommendations to Sequoia Wealth for certain models the strategists

manage. For strategist arrangements, upon receipt of the updated model information, we will implement the model and associated changes for applicable clients. Factors we take into consideration when making our recommendation include, but are not limited to, the strategist's performance, investment strategies, methods of analysis, advisory fees and other fees, and the client's financial objectives and risk tolerance. We would generally retain authority to hire/fire the strategist, and we regularly monitor the performance of the strategist to ensure its management and investment style remain aligned with the client's objectives and risk tolerance.

#### **LPL Financial–Sponsored Advisory Programs**

Our firm may provide advisory services through certain programs sponsored by LPL Financial ("LPL"), a registered investment adviser and broker-dealer. Below is a brief description of each LPL advisory program available to our firm. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs, and the potential conflicts of interest presented by the programs, please see the LPL Financial Form ADV Part 2 or the applicable program's Appendix 1 (wrap fee program brochure) and the applicable client agreement. Please note that Sequoia Wealth's use of the LPL Sponsored Advisory Programs creates certain conflicts of interest which you should be aware of. LPL makes available mutual funds in its programs which are categorized as either full-participating funds, in which no transaction fee is assessed, and non-participating funds, in which a transaction fee is assessed. As such, Sequoia Wealth has an economic incentive to invest advisory assets in LPL full participating funds within the wrap fee program to avoid the cost and enhance the profitability of the wrap fee arrangement.

#### ***Optimum Market Portfolios Program ("OMP")***

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

#### ***Personal Wealth Portfolios Program ("PWP")***

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third-party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

### ***Model Wealth Portfolios Program ("MWP")***

MWP offers clients a professionally managed mutual fund asset allocation program. We will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program, and assist the client in setting an appropriate investment objective. Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange-traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

The MWP program makes available model portfolios designed by strategists other than LPL's Research Department. Advisor will have discretion to choose among the available models designed by LPL and outside strategists.

### ***Manager Access Select Program ("MAS")***

MAS provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third-party portfolio manager from a list of portfolio managers made available by LPL. The portfolio manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the portfolio manager selection process.

### ***Guided Wealth Portfolios Program ("GWP")***

GWP is a centrally managed, algorithm-based investment program which is made available to users and clients through a web-based, interactive account management portal. Investment recommendations to buy and sell exchange-traded funds and open-end mutual funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL Financial and selected for the account. Communications concerning GWP are intended to occur primarily through electronic means, although we will be available to discuss investment strategies, objectives, or the account in general in person or over the phone.

A preview of the Program (the "Educational Tool") is provided for a period of up to 45 days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL Financial, FutureAdvisor, and our firm by enrolling in the advisory service (the "Managed Service"). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL Financial, FutureAdvisor, or our firm; do not enter into an advisory agreement with LPL Financial, FutureAdvisor, or our firm; do not receive ongoing investment advice or supervisions of their assets; and do not receive any trading services.

## **Financial Planning and Consulting Services**

We provide a variety of financial planning and consulting services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas:

- Investment Planning
- Retirement Planning
- Estate Planning
- Charitable Planning
- Education Planning
- Corporate and Personal Tax Planning
- Cost Segregation Study
- Corporate Structure
- Real Estate Analysis
- Mortgage/Debt Analysis
- Insurance Analysis
- Lines of Credit Evaluation
- Business and Personal Financial Planning

Our financial plan services or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney, or other specialist as necessary for non-advisory related services.

For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations, as the process is less formal than our planning service. Plans or consultations are completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

## **Retirement Plan Consulting**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring, and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment options, plan structure, and participant education.

Retirement plan consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in developing a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the plan sponsor to evaluate existing investment options and make recommendations for appropriate changes.

- Asset Allocation and Portfolio Construction – Our firm will develop strategic asset allocation models to aid participants in developing strategies to meet their investment objectives, time horizon, financial situation, and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

We offer individualized investment advice to clients utilizing our Asset Management service. Additionally, we offer general investment advice to clients utilizing our Financial Planning & Consulting, and Retirement Plan Consulting services.

Each client’s account will be managed on the basis of the client’s financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management service. We do not manage assets through our other service.

### **D. Wrap Fee Programs**

We offer wrap fee programs as further described in Appendix 1 of Part 2A (the “Wrap Fee Program Brochure”). Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

Please see Item 5.A. of this Brochure for important disclosure regarding custodian investment programs.



## **E. Client Assets Under Management**

As of December 31, 2022, our firm managed \$194,314,556 on a discretionary basis and \$243,863,207 on a non-discretionary basis for a total of \$438,177,763 in assets under management.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

#### Asset Management Fees

##### Non-Wrap Fee Accounts

We offer our services to our clients for an annual maximum advisory fee of 2.50%. The ultimate fee we charge will be based on the scope and complexity of the engagement and will be listed under Schedule A of the client agreement. Fees will be automatically deducted from your managed account. Adjustments are made for deposits and withdrawals in client accounts.

Please be advised that non-wrap program fees (those where the client pays trading costs in addition to the advisory fee) should, all things being equal, have the same overall net cost to the client as a comparable investment account in a wrap fee program. For example, if a client has a \$100,000 investment account and utilizes a non-wrap program for an advisory fee of 2.25% and pays \$250 in additional trading costs, a comparable arrangement on a wrap fee program basis (where the advisory fees include both the trading costs and advisory fee) would be 2.5%. In this way, the client understands the concept of fee parity when comparing wrap vs. non-wrap fee programs. In other words, if you are comparing a non-wrap program at 2.5% to a wrap free program at 2.5%, it would always be in your best interest to use the wrap fee in this example. The size of the portfolio or the frequency of trading may influence the use of a non-wrap program versus a wrap fee program, which are factors you should consider in selecting a particular investment program type. As a result, it is important to understand that the firm has an economic incentive to trade infrequently within a wrap fee program, because frequent trading lowers the firm's profitability. Of course, it is your decision to utilize the specific fee arrangement and this disclosure is to help you understand the relationship between the cost components of non-wrap fee programs versus wrap fee programs and the related conflicts of interest.

Per the discretionary investment advisory agreement, clients agree to pay in advance a fee charged to the Account(s) on the last day of each quarter which is based on the market value of the assets in the Account(s) on the last day of that quarter. If Sequoia Wealth serves for less than the whole of any quarterly period, compensation will be calculated on a pro-rata basis for the period of the quarter for which we have served as an adviser. We may modify the fee at any time upon 30 days' written notice to the client. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

##### Wrap Fee Accounts

Please refer to Appendix 1 of Part 2A (the "Wrap Fee Program Brochure") for wrap program fees.

### Third-Party Money Managers

Sequoia Wealth may recommend the use of third-party managers that are available either through the LPL or AssetMark asset management platform. The platform sponsor would charge the client account pursuant to the platform agreement. After deducting the platform fee from the client's account, the platform sponsor will keep its portion of the fee and pay the third-party manager and Sequoia Wealth their fees. The maximum fees for these programs are described below. In no event will Sequoia Wealth's portion of the LPL-sponsored program fees exceed 2.5%.

### LPL Sponsored Programs

The maximum fees for the LPL sponsored advisory programs (which include Sequoia Wealth and any third-party manager fees) are as follows:

<b>LPL Sponsored Advisory Program</b>	<b>Annual Percentage of Assets Charge</b>
Optimum Market Portfolios Program (OMP)	2.50%
Personal Wealth Portfolios Program (PWP)	2.50%
Model Wealth Portfolios Program (MWP)	2.50%
Manager Access Select Program (MAS)	3.00%
Guided Wealth Portfolios Program (GWMP)	1.00%

The fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. LPL serves as program sponsor, investment adviser, and broker-dealer for the LPL advisory programs. Our firm and LPL may share in the account fee and other fees associated with program accounts.

Management fees will be deducted from the client's managed account, upon a signed Account Application Form. The ultimate management fee is indicated on the Account Application Form. Our firm does not have the authority to instruct LPL to change or deduct fees without written client consent. LPL sends a quarterly statement showing all fees deducted from the clients' accounts. Please be advised there is a conflict of interest in that we are economically incented to recommend the program that yields the highest economic benefit to the firm.

GWP Managed Service is an algorithm-based service designed for clients with a smaller amount of investable assets to manage. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL's share of the compensation shall increase and clients will not benefit from such asset tiers.

GWP Educational Tool provides access to sample recommendations at no charge to users. However, if users decide to implement sample recommendations by executing trades, they will be charged fees, commissions, or expenses by the applicable broker or adviser, as well as underlying investment fees and expenses.

### **Financial Planning & Consulting Fees**

We charge on an hourly or flat fee basis for financial planning and consulting services. Our maximum hourly fee is \$500, and our flat fees range from \$500 to \$25,000. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. For flat fee arrangements, we will provide you with an estimate of the fixed charges prior to finalizing the financial planning agreement. Estimates will be based upon a good faith estimate of the number of hours to complete the assignment multiplied by the hourly rate and re-evaluated at a later point as discussed above.

The ultimate fee we charge you will be due to us within thirty (30) days of signing the Financial Planning and Consulting Agreement. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

### **Retirement Plan Consulting**

Our Retirement Plan Consulting services are billed a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Fees based on a percentage of managed Plan assets will not exceed 1.00%. The fee-paying arrangements for Retirement Plan Consulting service will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Clients will be invoiced directly for the fees.

## **B. Client Payment of Fees**

For our asset management services, we generally require fees to be prepaid on a quarterly basis. Clients will be required to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to our firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

We will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

A client investment advisory agreement may be terminated by either party for any reason upon receipt of written notice. Upon termination, any unearned, prepaid fees will be promptly refunded.

Financial Planning and Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing an agreement. After five (5) business days from initial signing, either party must provide the other party thirty (30) days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

### **C. Additional Client Fees Charged**

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using Sequoia Wealth may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

### **D. External Compensation for the Sale of Securities to Clients**

Sequoia Wealth's advisory professionals are compensated primarily through a percentage of advisory fees charged to clients. Sequoia Wealth advisory professionals may be paid sales, service or administrative fees for the sale of mutual funds or other investment products. Sequoia Wealth advisory professionals may receive commission-based compensation for the sale of insurance products. In addition, Sequoia Wealth advisory professionals, in their capacity as LPL Financial registered representatives, may receive commission-based compensation for the sale of securities. Sequoia Wealth advisory professionals are prohibited from earning an advisory fee on the securities value transferred from an advisory client's LPL Financial brokerage account unless commissions earned on such securities transactions occurred at least a 12–18 months prior to the transfer. Please see Item 10.C. for detailed information and conflicts of interest.

### **E. Important Disclosure – Custodian Investment Programs**

Please be advised that certain of the firm's investment adviser representatives are registered with a broker-dealer and/or the firm is a broker-dealer or affiliated with a broker-dealer. Under these arrangements, we can access certain investment programs offered through the broker-dealer that offer certain compensation and fee structures that create conflicts of interest of

which clients need to be aware. As such, the investment adviser representative and/or the firm may have an economic incentive to recommend the purchase of 12b-1 or revenue share class mutual funds offered through the broker-dealer platform rather than from the investment adviser platform. Please note the following:

***Limitation on Mutual Fund Universe for Custodian Investment Programs:*** Please note that as a matter of policy we prohibit the receipt of revenue share fees from any mutual funds utilized for our advisory clients' portfolios. There are certain programs in which we participate where a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client.

***Conflict Between Revenue Share Class (12b-1) and Non-Revenue Share Class Mutual Funds:*** Revenue share class/12b-1 fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the custodian receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

***Additional Disclosure Concerning Wrap Programs:*** To the extent that we either sponsor or recommend wrap fee programs, please be advised that certain wrap fee programs may (i) allow our investment adviser representatives to select mutual fund classes that either have no transaction fee costs associated with them but include embedded 12b-1 fees that lower the investor's return ("sometimes referred to as "A-Shares," depending on the mutual fund issuer), or (ii) allow the use of mutual fund classes that have transaction fees associated with them but do not carry embedded 12b-1 fees (sometimes referred to as "I-Shares," depending on the mutual fund sponsor). Wrap fee programs offer investment services and related transaction services for one all-inclusive fee (except as may be described in the applicable wrap fee program brochure). The trading costs are typically absorbed by the firm and/or the investment representative. If a client's account holds A-Shares within a wrap fee program, the firm and/or its investment adviser representative avoids paying the transaction fees charged by other mutual fund classes, which in effect decreases the firm's costs and increases its revenues from the account. Effectively, the cost is transferred to the client from the firm in the form of a lower rate of return on the specific mutual fund. This creates an incentive for the firm or investment adviser

representative to utilize such funds as opposed to those funds that may be equally appropriate for a client but do not carry the additional cost of 12b-1 fees. As a policy matter, the firm does not allow funds that impose 12b-1 or revenue sharing fees on the client's investment within its wrap fee programs. Clients should understand and discuss with their investment adviser representative the types of mutual fund share classes available in the wrap fee program and the basis for using one share class over another in accordance with their individual circumstances and priorities.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

Sequoia Wealth does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.



## Item 7: Types of Clients

We have the following types of clients:

- Individuals and High Net Worth Individuals
- Trusts, Estates or Charitable Organizations
- Corporations, Limited Liability Companies and/or Other Business Types
- ERISA Plans

Our requirements for opening and maintaining accounts or otherwise engaging us are as follows:

- We require a minimum household balance of \$100,000 for our Asset Management service. This minimum household balance requirement is negotiable depending on the client's extenuating circumstance.
- A minimum account value of \$15,000 is required for OMP.
- A minimum account value of \$250,000 is required for PWP.
- A minimum account value of \$50,000 is required for MWP.
- A minimum account value of \$100,000 is required for MAS; however, in certain instances, the minimum account size may be lower or higher.
- A minimum account value of \$5,000 is required for GWP.

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

### A. Methods of Analysis and Investment Strategies

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. There is no guarantee that any specific investment or strategy will be profitable for a particular client.**

#### Methods of Analysis

We use a variety of sources of data to conduct economic, investment, and market analysis, which may include economic and market research materials prepared by others, conference calls hosted by individual companies or mutual funds, corporate rating services, annual reports, prospectuses, and company press releases, and financial newspapers and magazines. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

Sequoia Wealth and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assessment and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.
- Computer models may be used to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

In addition, we review research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. We may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

#### Mutual Funds and Exchange-Traded Funds; Individual Securities; and Third-Party Separate Account Managers

We may recommend "institutional share class" mutual funds and individual securities (including fixed income instruments). We may also assist the client in selecting one or more appropriate

manager(s) for all or a portion of the client's portfolio. Such managers will typically manage assets for clients who commit to the manager a minimum amount of assets established by that manager—a factor that we will take into account when recommending managers to clients.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, ETFs, individual securities (including fixed-income securities), and managers is set forth below.

Sequoia Wealth has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports
- perform or distribute research of individual securities
- perform billing and certain other administrative tasks

We may utilize additional independent third parties to assist us in recommending and monitoring individual securities, mutual funds, and managers to clients as appropriate under the circumstances.

We review certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to our clients. Quantitative criteria may include

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns
- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-advisor or manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager; a mutual fund or manager's consistency of investment style; and employee turnover and efficiency and capacity.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by us on a quarterly basis or such other interval as appropriate under the circumstances. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager by Sequoia Wealth (both of which are negative factors in implementing an asset allocation structure).

We may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (e.g., for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also,

account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or managers utilized. We will endeavor to obtain equal treatment for its clients with funds or managers, but cannot assure equal treatment.

We will regularly review the activities of mutual funds and managers utilized for the client. Clients that engage managers or who invest in mutual funds should first review and understand the disclosure documents of those managers or mutual funds, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees and conflicts of interest.

### **Material Risks of Investment Instruments**

We generally invest in the following types of securities:

- Equity securities
- Warrants and rights
- Mutual fund securities
- Exchange-traded funds
- Leveraged and inverse exchange-traded funds
- Exchange-traded notes
- Fixed income securities
- Municipal securities
- Corporate debt obligations
- Fixed equity annuities
- Fixed equity indexed annuities
- Variable annuities

### **Equity Securities**

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

### **Warrants and Rights**

Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with

respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

### **Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

### **Exchange-Traded Funds (“ETFs”)**

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index Tracking Stock<sup>SM</sup> (“QQQs<sup>SM</sup>”) iShares<sup>®</sup> and VIPERs<sup>®</sup>. ETFs have embedded expenses that the client indirectly bears.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

### **Leveraged and Inverse Exchange-Traded Funds (“ETFs”)**

Leveraged ETFs employ financial derivatives and debt to try to achieve a multiple (for example two or three times) of the return or inverse return of a stated index or benchmark over the course of a single day. The use of leverage typically increases risk for an investor. However, unlike utilizing margin or shorting securities in your own account, you cannot lose more than your original investment. An inverse ETF is designed to track, on a daily basis, the inverse of its benchmark. Inverse ETFs utilize short selling, derivatives trading, and other leveraged

investment techniques, such as futures trading to achieve their objectives. Leverage and inverse ETFs reset each day; as such, their performance can quickly diverge from the performance of the underlying index or benchmark. An investor could suffer significant losses even if the long-term performance of the index showed a gain. Engaging in short sales and using swaps, futures, contracts, and other derivatives can expose the ETF.

There is always a risk that not every leveraged or inverse ETF will meet its stated objective on any given trading day. An investor should understand the impact an investment in the ETF could have on the performance of their portfolio, taking into consideration goals and tolerance for risk. Leveraged or inverse ETFs may be less tax-efficient than traditional ETFs, in part because daily resets can cause the ETF to realize significant short-term capital gains that may not be offset by a loss. Be sure to check with your tax advisor about the consequences of investing in a leveraged or inverse ETF. Leveraged and Inverse ETFs are not suited for long-term investment strategies. These are not appropriate for buy-and-hold or conservative investors and are more suitable for investors who understand leverage and are willing to assume the risk of magnified potential losses. These funds tend to carry higher fees, due to active management, that can also affect performance.

#### **Exchange-Traded Notes (“ETN”)**

ETNs are structured debt securities. ETN liabilities are unsecured general obligations of the issuer. Most ETNs are designed to track a particular market segment or index. ETNs have expenses associated with their operation. When a fund invests in an ETN, in addition to directly bearing expenses associated with its own operations, it will bear its pro rata portion of the ETN’s expenses. The risks of owning an ETN generally reflect the risks of owning the underlying securities the ETN is designed to track, although lack of liquidity in an ETN could result in it being more volatile than the underlying portfolio of securities. In addition, because of ETN expenses, compared to owning the underlying securities directly it may be more costly to own an ETN. The value of an ETN security should also be expected to fluctuate with the credit rating of the issuer.

#### **Fixed Income Securities**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company’s ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

#### **Municipal Securities**

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality’s ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal

level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

### **Corporate Debt Obligations**

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, the firm may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

### **Fixed Equity Annuities**

A fixed annuity is a contract between an insurance company and a customer, typically called the annuitant. The contract obligates the company to make a series of fixed annuity payments to the annuitant for the duration of the contract. The annuitant surrenders a lump sum of cash in exchange for monthly payments that are guaranteed by the insurance company. Please note the following risks: (i) Spending power risk. Social Security retirement benefits have cost-of-living adjustments. Most fixed annuities do not. Consequently, the spending power provided by the monthly payment may decline significantly over the life of the annuity contract because of inflation, (ii) Death and survivorship risk. In a conventional fixed annuity, once the annuitant has turned over a lump sum premium to the insurance company, it will not be returned. The annuitant could die after receiving only a few monthly payments, but the insurance company may not be obligated to give the annuitant's estate any of the money back. A related risk is based on the financial consequences for a surviving spouse. In a standard single-life annuity contract, a survivor receives nothing after the annuitant dies. That may put a severe dent in a spouse's retirement income. To counteract this risk, consider a joint life annuity. (iii) Company failure risk. Private annuity contracts are not guaranteed by the FDIC, SIPC, or any other federal agency. If the insurance company that issues an annuity contract fails, no one in the federal government is obligated to protect the annuitant from financial loss. Most states have guaranty associations that provide a level of protection to citizens in that state if an insurance company also doing business in that state fails. A typical limit of state protection, if it applies at all, is \$100,000. To control this risk, contact the state insurance commissioner to confirm that your state has a guaranty association and to learn the guarantee limits applicable to a fixed annuity contract. Based on that information, consider dividing fixed annuity contracts among multiple insurance companies to obtain the maximum possible protection. Also check the financial stability and credit ratings of the annuity insurance companies being considered. A.M. Best and Standard & Poor's publish ratings information.

### **Fixed Equity Indexed Annuities**

An equity-indexed annuity is a type of fixed annuity that is distinguished by the interest yield return being partially based on an equities index, typically the S&P 500. The returns (in the

form of interest credited to the contract) can consist of a guaranteed minimum interest rate and an interest rate linked to a market index. The guaranteed minimum interest rate usually ranges from 1 to 3 percent on at least 87.5 percent of the premium paid. As long as the company offering the annuity is fiscally sound enough to meet its obligations, you will be guaranteed to receive this return no matter how the market performs. Your index-linked returns will depend on how the index performs but, generally speaking, an investor with an indexed annuity will not see his or her rate of return fully match the positive rate of return of the index to which the annuity is linked — and could be significantly less. One major reason for this is that returns are subject to contractual limitations in the form of caps and participation rates. Participation rates are the percentage of an index's returns that are credited to the annuity. For instance, if your annuity has a participation rate of 75 percent, then your index-linked returns would only amount to 75 percent of the gains associated with the index. Interest caps, meanwhile, essentially mean that during big bull markets, investors won't see their returns go sky-high. For instance, if an index rises 12 percent, but an investor's annuity has a cap of 7 percent, his or her returns will be limited to 7 percent.

Some indexed annuity contracts allow the issuer to change these fees, participation rates and caps from time to time. Investors should also be aware that trying to withdraw the principal amount from a fixed indexed annuity during a certain period — usually within the first 9 or 10 years after the annuity was purchased — can result in fees known as surrender charges, and could also trigger tax penalties. In fact, under some contracts if withdrawals are taken amounts already credited will be forfeited. After paying surrender charges an investor could lose money by surrendering their indexed annuity too soon.

### **Variable Annuities**

Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company, which agrees to pay out an income or a lump sum amount at a later date. There are contract limitations and fees and charges associated with annuities, administrative fees, and charges for optional benefits. They also may carry early withdrawal penalties and surrender charges, and carry additional risks such as the insurance carrier's ability to pay claims. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.

## **B. Investment Strategy and Method of Analysis Material Risks**

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

### **Margin Leverage**

Although we, as a general business practice, do not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, we will utilize leverage. In this regard please review the following:



The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

### **Short-Term Trading**

Although we, as a general business practice, do not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

### **Short Selling**

We generally do not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

### **Technical Trading Models**

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading

statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

### **Option Strategies**

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

As part of our investment strategy, we may employ the following option strategies:

- Covered call writing
- Long call options purchases
- Long put options purchases
- Option spreading

#### **Covered Call Writing**

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

#### **Long Call Option Purchases**

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

#### **Long Put Option Purchases**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge

a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

### **Option Spreading**

Option spreading usually involves the purchase of a call option and the sale of a call option at a higher contract strike price, both having the same expiration month. The purpose of this type of transaction is to allow the holder to be exposed to the general market characteristics of a security without the outlay of capital to own the security, and to offset the cost by selling the call option with a higher contract strike price. In this type of transaction, the spread holder "locks in" a maximum profit, defined as the difference in contract prices reduced by the net cost of implementing the spread. There are many variations of option spreading strategies; please contact the Options Clearing Corporation for a current Options Risk Disclosure Statement that discusses each of these strategies.

## **C. Concentration Risks**

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There is nothing to report on this item.

### **B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.

## Item 10: Other Financial Industry Activities and Affiliations

### A. Broker-Dealer or Representative Registration

Members and registered advisory personnel of Sequoia Wealth are registered representatives of LPL Financial, a FINRA-registered broker-dealer and member of SIPC. LPL Financial is a financial services company engaged in the sale of investment products.

As a result of Sequoia Wealth members and registered professionals' association with LPL Financial, such professionals, in their capacity as registered representatives of LPL Financial, are subject to the general oversight of LPL Financial and the Financial Industry Regulatory Authority Inc. ("FINRA"). As such, clients of Sequoia Wealth should understand that their personal and account information is available to FINRA and LPL Financial for the fulfillment of their regulatory oversight obligations and duties.

### B. Futures or Commodity Registration

Neither Sequoia Wealth nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

### C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

#### LPL Financial

Sequoia Wealth professionals who are also associated person of LPL Financial may effect transactions for advisory clients may receive transaction or commission compensation from LPL Financial. The recommendation of securities transactions for commission creates a conflict of interest in that Sequoia Wealth is economically incented to effect securities transactions for clients. Although Sequoia Wealth strives to put its clients' interests first, such recommendations may be viewed as being in the best interests of Sequoia Wealth rather than in the client's best interest. Sequoia Wealth advisory clients are not compelled to effect securities transactions through LPL Financial. Sequoia Wealth and LPL Financial are not affiliated.

#### Insurance Sales

Certain managers, members, and registered employees of Sequoia Wealth are licensed insurance agents and may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a conflict of interest in that there is an economic incentive to recommend insurance and other products of such carriers. Please also be advised that Sequoia Wealth strives to put its clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to

those insurance carriers that have a selling agreement with Sequoia Wealth's employing broker-dealer.

### **Tax Preparation and Accounting Services**

Representatives of our firm are Certified Public Accountants. In such capacity, they may also provide income tax preparation or accounting services. These services are independent of our financial planning and investment advisory services and are governed under a separate engagement agreement. Our firm does not actively solicit clients to utilize these services.

### **Real Estate Services**

Representatives of our firm are licensed real estate agents. As a result, they may receive customary fees associated with real estate transactions. These services are independent of our advisory services and are governed under a separate engagement agreement. Clients are under no obligation to utilize this service and will not be actively solicited.

## **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

The compensation paid to us by third-party money managers may vary, and thus, there may be a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Prior to referring clients to third-party advisors, we will ensure that third-party advisors are licensed or notice filed with the respective authorities. A potential conflict of interest in utilizing third-party advisors may be an incentive to us in selecting a particular advisor over another in the form of fees or services. In order to minimize this conflict, our firm will make our selections in the best interest of our clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics Description**

In accordance with the Advisers Act, Sequoia Wealth has adopted policies and procedures designed to detect and prevent insider trading. In addition, we have adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of Sequoia Wealth advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by our chief compliance officer. We will send clients a copy of its Code of Ethics upon written request.

Sequoia Wealth has policies and procedures in place to ensure that the interests of our clients are given preference over those of Sequoia Wealth, our affiliates, and our employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Sequoia Wealth does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, we do not recommend any securities to advisory clients in which we have some proprietary or ownership interest.

### **C. Advisory Firm Purchase or Sale of Same Securities Recommended to Clients and Conflicts of Interest**

Sequoia Wealth, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase or sell the same securities as are purchased or sold for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which we specifically prohibit. Sequoia Wealth has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account

- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow Sequoia Wealth's procedures when purchasing or selling the same securities purchased or sold for the client.

#### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Sequoia Wealth, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other clients. We will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of Sequoia Wealth to place the clients' interests above those of Sequoia Wealth and our employees.



## Item 12: Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

#### Custodian Recommendations

We may recommend that clients establish brokerage accounts with LPL Financial or AssetMark (collectively, "custodian"), FINRA-registered broker-dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. Sequoia Wealth is independently owned and operated and not affiliated with custodian. For Sequoia Wealth client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

Sequoia Wealth considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by Sequoia Wealth, we will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by Sequoia Wealth will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

#### LPL Financial Transition Assistance and Forgivable Loans – Material Conflicts of Interest

Certain investment adviser representatives of Sequoia Wealth may receive forgivable loans through our primary custodian, LPL Financial, in order to assist with transitioning their business onto the LPL Financial custodial platform. This loan may be forgiven by LPL Financial based on the scope of business such representatives engage in with LPL Financial, including the amount of their client assets with LPL Financial. This presents a conflict of interest in that such investment adviser representatives have a financial incentive to recommend that clients maintain their account with LPL Financial in order to benefit by having the loan forgiven. However, to the extent such representatives recommend clients use LPL Financial for such services, it is because the representatives believe it is in clients' best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial.

### **How We Select Brokers/Custodians to Recommend**

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

### **Soft Dollar Arrangements**

Sequoia Wealth does not utilize soft dollar arrangements. Sequoia Wealth does not direct brokerage transactions to executing brokers for research and brokerage services.

### **Institutional Trading and Custody Services**

The custodian provides Sequoia Wealth with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

### **Other Products and Services**

Custodian also makes available to Sequoia Wealth other products and services that benefit our firm but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at custodian. The custodian may also make available to our firm software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of our fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help our firm manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of Sequoia Wealth personnel. In evaluating whether to recommend that clients custody their assets at the custodian. We may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

#### **Independent Third Parties**

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to Sequoia Wealth. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to us.

#### **Additional Compensation Received from Custodians**

Sequoia Wealth may participate in institutional customer programs sponsored by broker-dealers or custodians. Sequoia Wealth may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between Sequoia Wealth's participation in such programs and the investment advice it gives to its clients, although Sequoia Wealth receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may 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 Sequoia Wealth 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
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to Sequoia Wealth by third-party vendors

The custodian may also pay for business consulting and professional services received by Sequoia Wealth's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for Sequoia Wealth's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit Sequoia Wealth but may not benefit its client accounts. These products or services may assist Sequoia Wealth in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help Sequoia Wealth manage and further develop its business enterprise. The benefits received by Sequoia Wealth or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

Sequoia Wealth participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require Sequoia Wealth to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, Sequoia Wealth will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by Sequoia Wealth's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for Sequoia Wealth's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, Sequoia Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Sequoia Wealth or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Sequoia Wealth's recommendation of broker-dealers for custody and brokerage services.

### **Brokerage for Client Referrals**

We do not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

### **Directed Brokerage**

#### **Sequoia Wealth Recommendations**

We typically recommend LPL Financial or AssetMark as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

### **Client-Directed Brokerage**

Occasionally, clients may direct us to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage we derive from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. Sequoia Wealth loses the ability to aggregate trades with other of our advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

### ***Special Considerations for ERISA Clients***

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

## **B. Aggregating Securities Transactions for Client Accounts**

### **Best Execution**

Sequoia Wealth, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. Our firm recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. We will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates

- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with our fiduciary responsibilities, we seek to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of our knowledge, these custodians provide high-quality execution, and our clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon our firm's own knowledge of the securities industry, we believe that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

### **Security Allocation**

Since we may be managing accounts with similar investment objectives, we may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by our firm in the manner we consider to be the most equitable and consistent with our fiduciary obligations to such accounts.

Our allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. We will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

Our advice to certain clients and entities and the action of our firm for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of our firm with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions to or on behalf of other clients.

### **Order Aggregation**

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This

is true even if we believe that a larger size block trade would lead to best overall price for the security being transacted.

### **Allocation of Trades**

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

Sequoia Wealth acts in accordance with its duty to seek best price and execution and will not continue any arrangements if we determine that such arrangements are no longer in the best interest of our clients.

### **Trade Errors**

From time-to-time our firm may make an error in submitting a trade order on the client's behalf. When this occurs, we may place a correcting trade with the broker-dealer. If an investment gain results from the correcting trade, the gain will remain in client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for client to retain the gain, or our firm confers with client and client decides to forego the gain (e.g., due to tax reasons).

## Item 13: Review of Accounts

### A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

We review accounts no less frequently than annually for our clients subscribing to our Asset Management service. Third-party money management clients receive at least annual reviews. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We do not provide written reports to clients unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to our asset management and third-party money management services. Only our portfolio managers will conduct reviews. We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations. Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive verbal reports on an annual basis.

### B. Review of Client Accounts on Non-Periodic Basis

Our firm may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how we formulate investment advice.

### C. Content of Client-Provided Reports and Frequency

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Sequoia Wealth.



## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

#### **LPL Financial Expense Reimbursements**

Sequoia Wealth, or our investment adviser representatives in their capacity as Sequoia Wealth investment adviser representatives or LPL Financial registered representatives, may from time to time receive expense reimbursement for conference, travel and/or marketing expenses from distributors, product sponsors of investment and/or insurance products, and custodians. Expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by distributors, product sponsors of investment and/or insurance products, and custodians. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing, such as advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products, investments, and custodians based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients. A complete list of vendors offering marketing reimbursements is available upon request.

#### **LPL Financial Transition Assistance and Forgivable Loans – Material Conflicts of Interest**

Certain investment adviser representatives of Sequoia Wealth may receive forgivable loans through our primary custodian, LPL Financial, in order to assist with transitioning their business onto the LPL Financial custodial platform. This loan may be forgiven by LPL Financial based on the scope of business such representatives engage in with LPL Financial, including the amount of their client assets with LPL Financial. This presents a conflict of interest in that such investment adviser representatives have a financial incentive to recommend that clients maintain their account with LPL Financial in order to benefit by having the loan forgiven. However, to the extent such representatives recommend clients use LPL Financial for such services, it is because the representatives believe it is in clients' best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial.

### **B. Advisory Firm Payments for Client Referrals**

Sequoia Wealth does not pay for client referrals.

## Item 15: Custody

Sequoia Wealth is considered to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets.
- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:
  1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
  2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
  3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
  4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
  5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
  6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
  7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Clients are urged to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

## **Item 16: Investment Discretion**

Clients may grant a limited power of attorney to Sequoia Wealth with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, Sequoia Wealth will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement. In addition, subject to the terms of its investment advisory agreement, Sequoia Wealth may be granted discretionary authority for the retention of independent third-party investment management firms. Investment limitations may be designated by the client as outlined in the investment advisory agreement. Please see the applicable third-party manager's disclosure brochure for detailed information relating to discretionary authority.

## Item 17: Voting Client Securities

Sequoia Wealth does not take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, Sequoia Wealth will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Sequoia Wealth has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. We also have no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, we have no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Sequoia Wealth 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 and where the client has authorized contact in this manner.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Sequoia Wealth does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

On May 31, 2020, Sequoia Wealth received a Paycheck Protection Program ("PPP") loan through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Due to the economic uncertainties surrounding the current COVID-19 pandemic and in an abundance of caution, Sequoia Wealth believes it was necessary and prudent to apply for and accept the PPP loan to support ongoing operations. Sequoia Wealth intends to use the PPP funds to fund payroll for its employees, including a portion of the salaries of employees who are primarily responsible for performing advisory functions. The loan is forgivable provided Sequoia Wealth satisfies the terms of the loan program. Sequoia Wealth believes the existence of the loan and the obligation to repay it will have no impact on its ability to provide investment advisory services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

There is nothing to report on this item.