

**TRIAD ADVISORS, INC.
5185 PEACHTREE PARKWAY, SUITE 280
NORCROSS, GA 30092
(770) 840-0363**

This brochure provides clients with information about Triad Advisors, Inc. and the Wrap Fee account that should be considered before becoming a client of Triad Advisors, Inc. This information has not been approved or verified by any governmental authority.

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I. Services and Fee Schedule

Triad Advisors, Inc. (hereafter referred to as “the Company”) intends to offer the Pinnacle and the Private Managed Accounts which are administered through the clearing broker/dealer of the Company, NFS, LLC (“NFS”). The Company will assist the client in selecting affiliated investment adviser(s) (“RIA/IAR(s)”) to provide professional management of the wrap accounts. The RIA/IAR(s) is retained by the client to manage the account and becomes the investment advisory client of the RIA/IAR(s). RIA/IAR(s) is selected based on the client’s risk adjusted returns, suitability needs, and the fees the RIA/IAR(s) charges. The wrap fee programs are designed to assist clients, both individuals and institutions (such as pension and profit sharing plans, trusts, estates, charitable organizations, and corporations), to clarify their investment needs and to obtain professional asset management for a convenient single "wrap" fee.

Client should read and consider the information contained in this brochure. While the Company believes its professional management can work to benefit many clients, there is no assurance that the objectives of any client in these programs described will be achieved.

The **Pinnacle Account** is Wrap Account sponsored by Triad designed to allow the IAR the ability to manage mutual funds, stocks, bonds and insurance products (including variable annuity sub-accounts). A Wrap Account offers clients a convenient single "wrap" fee that covers investment management, administrative and trading costs. The Pinnacle Account may be suitable for accounts greater than \$150,000 and relies on more active management to meet their investment objectives. However, there is no minimum account size and fees are negotiable.

Pinnacle Account is designed to allow RIA/IAR(s) to manage a client’s portfolio by purchasing and/or selling stocks, bonds, mutual funds and insurance products. All transactions will be cleared through NFS pursuant to the Company’s clearing arrangement with NFS. Although client will not be charged an up-front commission for transactions in mutual funds, client should be aware that certain mutual funds charge distribution fees such as 12(b)-1 fees, a portion of which may be received by the Company and RIA/IAR(s). The amount of mutual fund’s 12(b)-1 fee is included among normal mutual fund expenses and is reflected in the fund’s prospectuses and financial statements. Clients may also incur certain charges imposed by third parties other than the Company and RIA/IAR(s), such as certain deferred sales charges on previously purchased mutual funds and IRA and Qualified Retirement Plan fees. The Company ordinarily will act as a broker for transactions and process all transactions through NFS.

NFS, LLC maintains custody of the client’s funds and securities, collects interest and dividends and performs the normal and customary execution and custodial services. The company will not hold client funds or securities.

Investor Profile Questionnaire

The RIA/IAR(s) will consult with the client to obtain investment objective information and other pertinent data on an Investor Profile Worksheet or new account form to enable the client to determine the most appropriate investment guidelines, risk tolerance and other factors that will assist the client in selecting a suitable investment portfolio.

Investment Selection and Portfolio Management

The RIA/IAR(s) may provide investment management of client's funds on a limited discretionary basis, through written authorization granted by a Trading Authorization Form. The RIA/IAR(s) diversifies and manages the client's portfolio. Investments and allocations are determined based upon the client's pre-defined investment objectives, risk tolerance, time horizon, financial information, and other various suitability factors that are determined. The RIA/IAR(s) will manage the client's accounts on an individualized basis. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio will not be identical with the average client of the RIA/IAR(s).

Performance Evaluation and Monitoring Services

The Company and/or the RIA/IAR(s) will monitor accounts based on information outlined in the investment policy statement. The Company and/or the RIA/IAR(s) may furnish quarterly performance reports to its clients for which a quarterly fee may be charged. The reports are intended to inform clients as to how their investments have performed during the selected period. Client will also receive account statements from NFS.

Discretionary Authority

The client may furnish the selected RIA/IAR(s) with limited discretionary authority to buy and sell securities. The Company will not have any discretion over the client's account.

Available Products

Equities

Listed/OTC
Preferred
ADRS
Closed-end funds
REITS
ETFs

Fixed-Income

Corporate Bonds
Governments
Mortgage-backed
Unit Trusts
Certificates of Deposit
Municipal Bonds
Money Markets

Mutual Funds

No-load
Load-Waived
Money Market

Insurance Products

Because mutual funds pay advisory fees to the Company and such fees are therefore indirectly charged to all holders of mutual funds shares, clients with mutual funds in their portfolios are effectively paying the Company and the mutual fund advisor for the management of the client's assets. Clients who place mutual funds shares under the Company's management are therefore subject to both the Company's direct management fee and the indirect management fee of the mutual fund advisor.

In connection with the placement of client funds into investment companies, compensation may take the form of front-end sales charges, redemption fees and 12(b)-1 fees or a combination thereof. The prospectus for the investment company will give explicit detail as to the method and form of compensation.

Pinnacle Account's annual fee is as follows:

<u>Portfolio Value</u>	<u>Annual Fee</u>
\$ 0 - \$ 250,000	2.75%
\$ 250,001 - \$ 500,000	2.50%
\$ 500,001 - \$2,000,000	2.25%
\$2,000,001 - \$5,000,000	2.00%
\$5,000,001 +	1.75%

Although fees listed above are standard fees, they may in some circumstances be negotiable according to a variety of factors, such as size and type of account, complexity, etc. The Pinnacle Account Fee will be payable quarterly in advance. The RIA/IAR(s) and the client will agree upon the actual annual fee, which will be stated in the Advisory Agreement. The first full quarter is charged during the first month of the quarter based on the average daily balance of the Account during the prior partial quarter. Going forward, all quarterly fees will be charged in advance during the first month of the quarter and will be based on the average daily balance of the prior quarter.

If an Account is opened in the first or second month of a quarter, it will be charged two fees during its first billing cycle, which will occur during the first full month after the Account is established. The first fee is prorated for the number of days the Account was open in its initial month. The second fee will reflect charges for the remaining month(s) in the current quarter. The fees will be based on the average daily balance of the Account during the first partial month. If an Account is opened in the third month of a quarter, it will be charged for its first partial month during the following first full month. The fee will be based on the average daily balance of the Account during its first partial month. Additional deposits of funds and/or securities will be subjected to the same billing procedures. Client may withdraw Account assets on notice to the Company. Client understands that the program is designed as a long-term investment vehicle and that asset withdrawals may impair the achievement of client's investment objectives.

The Account Fee includes all fees and charges for the services of the Company and the RIA/IAR(s), including brokerage charges, in connection with the Pinnacle Account. Client acknowledges and agrees that the Account Fee as set forth herein and in effect for client's Account shall continue until thirty (30) days after the Company has notified the client, at which time the new fees or charges will become effective unless the client notifies the Company in writing that the Account is to be closed.

There is no minimum account size to open and maintain a Pinnacle Account, however; there is a minimum annual fee of \$720.00 on the Pinnacle Account. If the Account is closed within the first year of its existence, the entire annual fee mentioned above will be due and payable by the client.

The Advisory Agreement may be terminated by either party upon written notice to the other party ("Termination Date"), which shall be effective when received by the other party or upon passing ten (10) business days from the date of termination notice or whichever occurs sooner. Client will be entitled to a pro-rata refund of any prepaid quarterly Pinnacle Account Fee based upon the number of days remaining in the quarter after Termination Date. The Company will deliver securities and funds held in the Account as instructed by client unless client requests that the Account be liquidated. If an Account is liquidated as a result of a termination notice, proceeds will be payable to client upon settlement of all transactions in the Account. A full refund will be provided if the client terminates the contract, in writing, within five (5) business days of execution of the contract.

If the Account is closed after five business days, but within the first year, the client agrees to pay an early termination fee to cover the administrative costs of establishing the Account. The fee will be based on the number of trades placed on behalf of the Account the quarter in which the Account is closed. If the Account is closed during the first quarter, the termination fee will be \$25 multiplied by the number of transactions in the Account. If the Account is closed during the second quarter, the termination fee will be \$20 multiplied by the number of transactions in the Account. If the Account is closed during the third quarter, the termination fee will be \$15 multiplied by the number of transactions in the Account. If the Account is closed in the fourth quarter, the termination fee will be \$10 multiplied by the number of transactions in the Account.

The client may grant the RIA/IAR(s) authority to receive quarterly payments directly from the client's account held by an independent custodian, NFS, LLC. Accordingly, the client will provide, in writing, limited authorization to the RIA/IAR(s) to withdraw the contractually agreed upon fees from the Account. The RIA/IAR(s) will send to the client a bill showing the amount of the fee, the value of client's assets on which the fee was based, and the specific manner in which the fee was calculated. The custodian of the Account is advised in writing of the limitation on the RIA/IARs' access to the Account. The custodian will also send the client a statement, at least quarterly, indicating all the amounts disbursed from the Account including the amount of advisory fees paid directly to the RIA/IAR(s). Fees will be payable first, from free credit balances, if any, in the Account and second, from the liquidation or withdrawal (which

the client hereby authorizes) by the RIA/IAR(s) of the client's shares of any money market funds or balances in any money market account. To the extent that such assets are insufficient to satisfy payment of such Fees, client hereby acknowledges and agrees that the RIA/IAR(s) has the authority to margin the Account, not to exceed ten percent (10%) of the asset market value, in order to collect the Fees. ERISA Accounts may not be margined for the purpose of collecting Fees. ERISA Accounts with insufficient cash to pay the Fees will be required to liquidate a portion of Account assets to satisfy the Fees. At the RIA/IARs' election, the client may be billed for the Fees. Such a bill is payable upon receipt by client.

The **Private Managed Account** provides access to a number of non-affiliated third party money managers with various specialties and investment strategies (i.e., fixed-income, small cap, international, etc), as well as asset allocation or asset management services. A PMA is an investment portfolio that is managed on a discretionary basis by a third party money management firm primarily through individual stocks, bonds or mutual funds. The duties of Triad's IARs will include assisting the client in choosing investment objectives and appropriate investment managers, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering client questions. Furthermore, Triad reviews the performance of third party advisers on at least an annual basis and prior to introducing clients to the non-affiliated investment advisers.

As sponsor of the PMA programs, Triad has established contractual relationships with third party money management firms to enable clients' access to discretionary investment management and advisory services.

The client pays Triad a quarterly fee for its services based on a percentage of the value of the client's account. The fee will be tiered based upon the value of the client's account. The RIA fee for each type of account is negotiable; however, the third party manager's fee may not be. In addition, minimum account balances may be required by the third party manager. Specific account information regarding these fees and other possible restrictions are disclosed in the PMA agreement, and applicable Wrap Brochure. The basic PMA fees schedule is as follows (it should be noted that this schedule identifies the range of possible fees and it would be unusual for an account to be charged the maximum fee in each category):

<u>Range of Fees</u>	<u>Portfolio Management</u> (Annual Fee)
RIA Fee	.10% - 1.80%
3 rd Party Money Manager Fee	.10% - 1.50%
Brokerage/Clearing/Custody Fee	.03% - .35%
Total Fee Range	.23% - 3.65%

Due to the administrative complexity of these types of accounts, an early termination fee may be charged, as previously described, if an account is closed within one (1) year.

Fees are negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc. The client may grant the Company and the Investment Manager authority to receive quarterly payments directly from the client's account held by an independent custodian, NFS, LLC. Accordingly, the client will provide, in writing, limited authorization to the Company and the Investment Manager to withdraw the contractually agreed upon fees from the Account. The Company and the Investment Manager will send to the client a bill showing the amount of the fee, the value of client's assets on which the fee was based, and the specific manner in which the fee was calculated. The custodian of the Account is advised in writing of the limitation on the Company and the Investment Manager's access to the Account. The custodian will also send the client a statement, at least quarterly, indicating all the amounts disbursed from the Account.

The Private Managed Account Client Agreement may be terminated by either party upon written notice, which shall be effective when received by the other party or upon passing of ten (10) business days from the date of termination notice, whichever occurs sooner. A full refund will be provided if the client terminates the contract, in writing, within five (5) days of the contract being executed.

If the Account is closed after five business days, but within the first year, the client agrees to pay an early termination fee to cover the administrative costs of establishing the Account. The fee will be based on the number of trades placed on behalf of the Account the quarter in which the Account is closed. If the Account is closed during the first quarter, the termination fee will be \$25 multiplied by the number of transactions in the Account. If the Account is closed during the second quarter, the termination fee will be \$20 multiplied by the number of transactions in the Account. If the Account is closed during the third quarter, the termination fee will be \$15 multiplied by the number of transactions in the Account. If the Account is closed in the fourth quarter, the termination fee will be \$10 multiplied by the number of transactions in the Account.

II. Comparison Cost of Service

The WRAP Fee Service may cost clients more or less than purchasing such service separately depending on the frequency of trading in the client's accounts, commissions charged at other broker/dealers for similar products, fees charged for like services by other broker/dealers and other factors.

III. Nature of Fees

Under the Wrap Fee Program, the client will pay a single fee, based on the amount of assets under management, for investment advice and all transaction related costs associated with executing transactions for the client (except for incidental costs such as wire fees or bank charges).

IV. Review of Accounts

The Company may conduct reviews on client's accounts. Accounts are primarily reviewed by the client's IAR. In addition, Triad's compliance program includes the periodic review of a sample of customer accounts for consistency with a client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Triad's compliance department consists of four employees who assist in these reviews. There is no minimum number of accounts assigned for the reviewer.

V. Education Standards and Investment Adviser Representatives

The Company may require RIA/IAR(s) engaged in determining or offering investment advice to clients to have a college education and/or adequate experience and knowledge in related fields, such as business, finance, insurance, employee benefits, securities and financial and tax planning. Also, the Company may require the RIA/IAR(s) to have examinations based on specific state examination requirements.

Education and/or examination requirements for investment advisory representatives will vary based on each RIA/IAR.

VI. Conflicts of Interest

The principal business of the Company is a full service general securities broker-dealer. The Company is registered with the Securities and Exchange Commission, National Association of Securities Dealers, and various other regulatory bodies. In this capacity, the Company engages in brokerage activities relating to various types of securities, including, but not limited to, stocks, bonds, mutual funds and government securities. The Principals of the Company spend approximately 50% of their time managing the business of the broker/dealer and 50% of their time managing the investment adviser.

Since the Wrap Fee paid by the client covers all transaction-related costs, the client will not pay separate commissions for purchases or sales of securities for the client's account unless the client directs the Company to execute transactions in securities with another broker-dealer. Because all transaction related fees are paid for out of the Wrap Fee, the Company anticipates that it will fulfill its duty to obtain best price and execution of client orders by effecting those transactions itself as broker. If the Company effects a transaction for a client through another broker, the net purchase or sale price reflected on the client confirmations of such trades may reflect brokerage commissions.

Outside the Wrap Fee Program, the Company provides a variety of services to clients as a broker-dealer for which it is compensated. The Company usually acts as broker in transactions for clients. The Company generally does not maintain an inventory of securities and therefore usually does not buy and sell securities for its own account. All transactions, where the Company acts as broker, are effected at the prevailing market price consistent with

the Company's duty to obtain best execution. The Company is compensated in such transactions in the form of commissions on trades. In connection with client investments in mutual funds, the Company may be paid compensation as described in the fund's prospectus.

The Company may purchase or sell the same security for a number of clients at the same time. Because of market fluctuations, the prices obtained on such transactions within a single day may vary substantially. In such a case, to more fairly allocate those market fluctuations among clients, transactions in the same security for a number of customers may be "batched". In these circumstances, the confirmations and statements for each client's transaction may show that the transaction was effected at a price equal to the average execution price for all transactions in that security on that day. In addition, the Company may buy or sell securities for its own account including securities that it recommends to clients and may profit from such transactions.

In all of these cases, the Company may receive compensation or other benefits in addition to the Wrap Fee it receives from clients and, therefore, may have an incentive to engage in such transactions. Further, the Company will maintain records of all securities purchased and sold by the Company, its associated persons, and related entities, which will be available for client inspection upon reasonable request.

Finally, because the Wrap Fee Program may cost clients more or less than purchasing the included services separately, the Company may have an incentive to recommend participation in the Wrap Fee Program.

VIII. Investments and Investment Strategies

Investments and investment strategies will vary depending on each of the RIA/IAR.