

Part 2A Appendix 1 of Form ADV: *Wrap Fee Program Brochure for Bruderman Asset Management, LLC Clients*

Bruderman Asset Management, LLC
Doing Business As Gary Goldberg Financial Services

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SELECT TRAC WRAP PROGRAM

03/27/2018

Item 1 Cover Page

This wrap fee program brochure provides information about the qualifications and business practices of Bruderman Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (845) 368-2900 or tcattani@mjbc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Bruderman Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 173565.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Wrap Fee Program Brochure ("Wrap Fee Brochure"), dated 02/15/2015, is our new disclosure document prepared according to the SEC's new requirements and rules. As a state-registered investment adviser, our firm is required to comply with the new reporting and filing requirements. Although the format of this document is similar in many respects to prior Schedule H wrap fee program brochures, it does contain additional new information that was not previously required.

After our initial filing of this Wrap Fee Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee 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.

On September 1, 2015, two new programs were introduced, the Core-Tec and Trend-Tec programs. For details, please see the description beginning on page 5 herein.

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Item 4 Services Fees and Compensation

SERVICES

Bruderman Asset Management, LLC, doing business as Gary Goldberg Financial Services and hereinafter, "BAM", or "Adviser" or "firm" was formed in 2014 in the State of NY. BAM is an SEC registered investment adviser with its principal place of business located in New York.

We sponsor the Select Trac Program (the "Program"), a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which may include portfolio management and the execution of client transactions.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services and fees offered by our firm, clients should refer to our Form ADV Part 2: Firm Disclosure Brochure.

You may obtain a copy of our Firm Brochure by contacting us at:

Bruderman Asset Management, LLC
Attn: Thomas Cattani
75 Montebello Road
Suffern, NY 10901
Telephone: (845) 368-2900
Email: tcattani@mjbc.com

BAM provides the following wrap fee services:

Select Trac Mutual Fund Program

In the Select Trac Mutual Fund Program (the "MF Program"), BAM manages client accounts on a discretionary basis through asset allocation and investment strategies developed by BAM primarily using no-load mutual funds or load-waived funds purchased at NAV. In certain circumstances, BAM may fulfill one or more asset classes by purchasing an exchange-traded fund or other securities instead of by purchasing a mutual fund. BAM, through its representative, will assist the client in selecting a Program strategy that is suitable for the client, based on information provided by the client regarding the client's investment goals, objectives, risk tolerance, and investment time horizon. Strategies include Moderate Growth, Conservative Growth, and Diversified Growth. Additional strategies may be developed based on clients' needs and objectives.

Upon selection of an appropriate strategy, the client's account will be invested in a portfolio of no-load mutual funds and load-waived mutual funds purchased at NAV (and potentially other types of securities) that reflects the strategy designated by the client. BAM will continuously manage the client's account to ensure that it reflects the designated strategy. As a discretionary program, BAM will generally implement

purchases, sales, and other transactions with respect to the assets in the client's account without client's prior knowledge or consent.

Generally, client accounts in the MF Program will hold only the investments purchased by BAM as part of the designated strategy, and clients will not be permitted to hold other securities in the MF Program account. However, in certain limited circumstances, MF Program clients may be permitted to transfer into their MF Program account certain stocks, bonds, or other securities that were purchased outside of the account that are not part of the selected MF Program strategy ("Non-Strategy Assets"). Clients will be permitted to trade the Non-Strategy Assets without commissions or other transaction charges. In general, BAM will manage the account so that Non-Strategy Assets are liquidated over time and the proceeds invested according to the selected strategy.

Non-Strategy Assets will not be subject to the Program Fee until NFS receives such assets in good form and they have been deposited or settled into the client's MF Program account. In the event that BAM determines that it is inappropriate, impractical, or otherwise undesirable for any Non-Strategy Assets to be held (or to be continued to be held) in the client's MF Program account, BAM may require the client to transfer the Non-Strategy Asset out of the Program account, at the client's expense, which may include commissions or other transaction costs.

For smaller accounts (generally between \$10,000 and \$50,000), BAM offers a variant of the MF Program called the Diversified Growth Portfolio. It will contain a more limited number of funds than the regular MP Program.

Select Trac ETF Program

In the Select Trac ETF Program (the "ETF Program"), BAM manages client accounts on a discretionary basis through asset allocation and investment strategies developed by BAM primarily using exchange-traded funds ("ETFs"). In addition to adhering to the firm's normal investment process, the ETF program also includes a tactical overlay strategy to help reduce the impact of a prolonged market correction. As with any investment strategy there are no guarantees of the strategy working as intended and as such the use of the tactical overlay may adversely impact performance.

In certain circumstances, BAM may fulfill one or more asset classes by purchasing other securities instead of by purchasing an exchange-traded fund. BAM, through its representative, will assist the client to select an ETF Program strategy that is suitable for the client, based on the client's investment goals, objectives, risk tolerance, and investment time horizon. Strategies include Growth, Moderate Growth, and Balanced Growth. Additional strategies may be developed based on clients' needs and objectives.

Upon selection of an appropriate strategy, the client's account will be invested in a portfolio of ETFs (and potentially other types of securities) that reflects the strategy selected by the client. BAM will continuously manage the client's account to ensure that

it reflects the designated strategy. As a discretionary program, BAM will generally implement purchases, sales, and other transactions with respect to the assets in the client's account without client's prior knowledge or consent.

Generally, client accounts in the ETF Program will hold only the investments purchased by BAM as part of the designated strategy, and clients will not be permitted to hold other securities in the ETF Program account. However, in certain limited circumstances, clients may be permitted to transfer into their ETF Program account certain stocks, bonds, or other securities that were purchased outside of the account that are not part of the selected ETF Program strategy ("Non-Strategy Assets"). Clients will be permitted to trade the Non-Strategy Assets without commissions or other transaction charges. In general, BAM will manage the account so that Non-Strategy Assets are liquidated over time and the proceeds invested according to the selected strategy.

Non-Strategy Assets will not be subject to the ETF Program Fee until NFS receives such assets in good form and they have been deposited or settled into the client's ETF Program account. In the event that BAM determines that it is inappropriate, impractical, or otherwise undesirable for any Non-Strategy Assets to be held (or to be continued to be held) in the client's ETF Program account, BAM may require the client to transfer the Non-Strategy Asset out of the ETF Program account, at the client's expense, which may include commissions or other transaction costs.

Select Trac Tactical ETF Program

In the Select Trac Tactical ETF Program (the "Tactical ETF Program"), BAM manages client accounts on a discretionary basis through asset allocation and investment strategies developed by BAM primarily using exchange-traded funds ("ETFs"). This ETF program incorporates a tactical overlay strategy to help reduce the impact of a prolonged market correction. As with any investment strategy there are no guarantees of the strategy working as intended and as such the use of the tactical overlay may adversely impact performance.

In certain circumstances, BAM may fulfill one or more asset classes by purchasing other securities instead of by purchasing an exchange-traded fund. BAM, through its representative, will assist the client to select an ETF Program strategy that is suitable for the client, based on the client's investment goals, objectives, risk tolerance, and investment time horizon. There are two Select Trac Tactical ETF Program strategies; Core-Tac, and Trend Tac. Additional strategies may be developed based on clients' needs and objectives.

CORE-TAC (Core with Satellite Tactical Overlay) The primary portfolio objective is growth. The primary portfolio strategy will establish a buy and hold core with 35% of the portfolio in instruments designed to track major indexes at the time of implementation and will rebalance to that percentage at a regular frequency. 65% of the portfolio is allocated to the satellite tactical overlay, which will use industry, sector, and country specific ETF's in an attempt to track and capture intermediate to long-term market

trends through strategic repositioning of this portion of the portfolio as often as deemed necessary by the advisor based on a suite of technical indicators. If the advisor cannot find opportunities within the satellite tactical overlay, this portion of the portfolio can be moved to 100% cash or short term bonds. In certain circumstances, the advisor has the right to terminate management if assets fall below a net value of 65k due to the nature of this program.

TREND-TAC (Trend Based Tactical). The primary portfolio objective is growth. The primary portfolio strategy is 100% tactical to attempt to capture intermediate to long-term market trends through strategic repositioning of the portfolio as often as deemed necessary by the advisor. This program will follow industries, sectors, and country specific ETF's but is not limited to these instruments. If the advisor cannot find opportunities within the parameters of this strategy the portfolio can be moved to 100% cash or short term bonds. In certain circumstances, the advisor has the right to terminate management if assets fall below a net value of 65k due to the nature of this program.

Upon selection of an appropriate strategy, the client's account will be invested in a portfolio of ETFs (and potentially other types of securities) that reflects the strategy selected by the client. BAM will continuously manage the client's account to ensure that it reflects the designated strategy. As a discretionary program, BAM will generally implement purchases, sales, and other transactions with respect to the assets in the client's account without client's prior knowledge or consent.

Generally, client accounts in the ETF Program will hold only the investments purchased by BAM as part of the designated strategy, and clients will not be permitted to hold other securities in the ETF Program account. However, in certain limited circumstances, clients may be permitted to transfer into their ETF Program account certain stocks, bonds, or other securities that were purchased outside of the account that are not part of the selected ETF Program strategy ("Non-Strategy Assets"). Clients will be permitted to trade the Non-Strategy Assets without commissions or other transaction charges. In general, BAM will manage the account so that Non-Strategy Assets are liquidated over time and the proceeds invested according to the selected strategy.

Non-Strategy Assets will not be subject to the ETF Program Fee until NFS receives such assets in good form and they have been deposited or settled into the client's ETF Program account. In the event that BAM determines that it is inappropriate, impractical, or otherwise undesirable for any Non-Strategy Assets to be held (or to be continued to be held) in the client's ETF Program account, BAM may require the client to transfer the Non-Strategy Asset out of the ETF Program account, at the client's expense, which may include commissions or other transaction costs.

FEES

Select Trac Mutual Fund and Select Trac ETF Program

Clients in the Programs pay BAM an asset-based fee for investment advisory services provided by BAM and trade execution and custody services provided our affiliated firm, Bruderman Brothers, LLC, a FINRA Member broker/dealer and NFS the qualified custodian holding the client's assets. The fee is paid quarterly in advance and is based on a percentage of the assets in the account, as follows (subject to any special arrangement negotiated with a particular client):

<u>Select Assets Under Management</u>	<u>Annual Fee as Percentage of Account Assets</u>
Up to \$100,000	1.875%
Up to \$350,000	1.75%
Up to \$650,000	1.50%
Up to \$1,000,000	1.25%
Over \$1,000,000	1.00%

The Select Assets Under Management includes this particular account along with all assets managed by BAM in any of its asset management programs with the exception of assets managed in the Fund Trac Variable Managed Annuity Program and assets in a brokerage accounts with Bruderman Brothers, LLC.

Select Trac Tactical ETF Program

Clients in the Tactical ETF Program pay BAM an asset-based fee for investment advisory services provided by BAM and trade execution and custody services provided our affiliated firm, Bruderman Brothers, LLC, a FINRA Member broker/dealer and NFS the qualified custodian holding the client's assets. The fee is **1.75%** of the assets in the account, (subject to any special arrangement negotiated with a particular client) paid quarterly in advance.

Negotiated Fees

In certain circumstances, BAM may agree to negotiate its fees. BAM may charge different clients receiving the same services different fees. The fee schedule included in the Brochure is the firm's basic fee schedules generally charged to clients absent negotiable circumstances.

Other Costs and Billing Practices

The Program Fees are debited by the custodian on a quarterly basis in advance, based on the average daily balance in the client account during the preceding quarter. The average daily balance in the client's account will include any non-strategy assets.

What services are covered by the Program fees?

The Program fees pay for our firm's advisory services to clients under the Program, administrative expenses of the Program, custody charges for clients' assets custodied at NFS and brokerage services for Program accounts to the extent trades are conducted through Bruderman Brothers, LLC

What services are not covered by the Program fees?

The Program fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than Bruderman Brothers, LLC or NFS and custody charges if client assets are custodied anywhere other than NFS. The Program fees do not include expenses of mutual funds and electronically traded funds such as fund management fees charged to each fund's investors, mark-ups, mark-downs, or spreads paid to market makers, and/or odd-lot differential fees. The Program Fee does not include certain administrative fees charged by NFS, such as fees for wire transfers or certificate issues, IRA account fees, account closing fees or mail expenses.

Securities transactions effected for the client accounts in the ETF Program may also include mark-ups, mark-downs, or dealer spreads to market makers or other principals from whom ETFs were obtained by the broker dealer. These mark-ups, mark-downs, or dealer spreads will be retained by the market maker or other principal and will not be credited or reimbursed to the client's account.

The Program Fee for the first period is debited at the beginning of the first full month the account is open, and is based on the average daily balance for the period the account has been open. Program Fees are prorated for any partial period. In the event of advisory agreement termination, the Adviser will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

The cost to sell existing securities in order to enter the program are not covered by the Program fees.

Changes to Program Fee

The amount of the Program Fee will continue until 30 days after BAM has notified client in writing of any change in the amount of the Program Fee. As of the end of such 30-day period, the new fee will become effective unless client terminates the client agreement.

Terminations & Refunds

A client agreement may be canceled at any time, by either party, for any reason, upon prior written notice to the other party, as provided in the client agreement. Upon termination of the client agreement, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate the client agreement without penalty within five business days after entering into the agreement. In the event of withdrawal of all or substantially all of the assets from the account or the termination of the account,

customary commissions and other expenses associated with liquidating or transferring the account will be charged to the client.

About Our Fees

Clients should be aware that lower fees for comparable services may be available from other advisers. All fees paid to BAM are separate and distinct from the internal fees and expenses charged by mutual funds or ETFs to their shareholders.

These fees and expenses are described in each fund's or ETF's prospectus or summary disclosure document. These fees will generally include a management fee, other internal expenses, and a possible distribution fee. Clients should also understand that shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions generally made within short periods of time. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest.

A client could invest in mutual funds or ETFs directly, without the services of BAM. In that case, the client would not receive the services provided by BAM which are designed, among other things, to assist the client in determining which mutual funds or ETFs are appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by Adviser to fully understand the total amount of fees to be paid by the client and evaluate the advisory services being provided.

In addition, the amount of compensation received by BAM as a result of the client's participation in the Program may be more than what BAM would receive if the client paid separately for investment advice, brokerage, custody and other services. Therefore, BAM and its representatives may have a financial incentive to recommend the Program over other advisory programs or services.

Additional Fees

Client has directed that BAM direct all transactions involving the Program accounts to its affiliated broker-dealer, Bruderman Brothers, LLC and its clearing firm, NFS. Bruderman Brothers, LLC, a FINRA Member broker/dealer may receive 12b-1 fees or other distribution or marketing fees from mutual funds in which the client's account is invested. In view of the availability of such payments to its affiliate, BAM has a conflict of interest in recommending such funds.

General Fee Disclosures

BAM shares the fees it collects with the applicable BAM representative, Bruderman Brothers, LLC and NFS. The BAM representative recommending one of the Programs to the client receives compensation as a result of the client's participation in the Program. This compensation may be more than what the representative would receive if the client participates in other program or paid separately for investment advice, brokerage, and other services. Thus, the representative may have a financial incentive to recommend the Program over other programs or services.

Clients should understand that BAM has a conflict of interest in recommending its affiliated broker-dealer and in recommending the associated services of Bruderman Brothers, LLC's clearing firm. As Bruderman Brothers, LLC processes more accounts and transactions through NFS, it will be able to use these transactions to meet its minimum monthly clearing fees. This provides a benefit to Bruderman Brothers, LLC, even if no additional commissions are charged. In addition, Bruderman Brothers, LLC receives other fees from NFS, such as rebates on money market or margin account balances, based on accounts and balances carried with NFS. Also, as described elsewhere, to the extent Bruderman Brothers, LLC executes commissionable transactions for advisory clients of BAM; the firm has a strong incentive to earn additional revenue by encouraging BAM to refer advisory clients to Bruderman Brothers, LLC

BAM recommends the services of Bruderman Brothers, LLC and its clearing broker, NFS, to effect securities trades and to perform related functions, such as clearance, settlement, and custody. This recommendation is based largely on the fact that Bruderman Brothers, LLC is a wholly owned subsidiary of BAM and the firm is therefore able to achieve greater operational efficiency and economies of scale. BAM also believes that this recommendation is in the best interests of its clients as the affiliation may, in some circumstances, permit discounted commission rates; a comprehensive execution and account servicing platform; experience with and familiarity with NFS's system by BAM associates and employees and BAM's generally high opinion of NFS's customer service.

Other considerations are the technological access to NFS available to Bruderman Brothers, LLC, a FINRA Member broker/dealer and BAM. BAM also believes that customers are well-served by NFS's ability to custody a wide range of assets. BAM, through Bruderman Brothers, LLC, receives some research services from NFS. Such information may be used to service all of the firm's advisory accounts, without regard to whether a particular client actually holds an account with NFS.

BAM or Bruderman Brothers, LLC may purchase through NFS, or through independent companies, computer equipment and/or real-time computer data to facilitate sending and receiving account information. NFS may periodically make available vendor discounts on computer equipment, conferences, and software, to firms clearing through NFS.

Bruderman Brothers, LLC's and NFS's execution services and procedures are designed to obtain the best execution possible under the circumstances then existing, but with respect to any particular client order there can be no assurance that best execution will be obtained. Clients should consider whether or not the appointment of Bruderman Brothers, LLC and NFS as the sole broker-dealers for the client's Program account may or may not result in less favorable executions than client might receive from other broker-dealers. In directing the use of Bruderman Brothers, LLC and NFS, it should be understood that BAM will not have authority to negotiate commissions among various brokers, nor will it be able to direct client orders to brokers who might offer price improvements. Consequently, best execution may not be achieved.

Depending on the amount of the fee charged by BAM, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the Program, and other factors, the fee for either the MF Program or the ETF Program may exceed the total cost of such services if they were to be provided separately and if BAM were to negotiate commissions and seek best price and execution of transactions.

Exchange-Traded Funds

Shares of ETFs held in client accounts are bought and sold on an exchange and not, like mutual funds, directly from the fund itself. The price of ETF shares fluctuates in accordance with changes in the net asset value (NAV) per share, as well as in response to market supply and demand. Accordingly, ETF shares may trade at a price which differs from NAV per share of the ETF.

Grandfathering of Minimum Account Requirements

Pre-existing advisory clients are subject to Bruderman Asset Management, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts

Bruderman Asset Management, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Bruderman Asset Management, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Bruderman Asset Management, LLC's advisory fees.

Advisory Fees in General

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Item 5 Account Requirements and Types of Clients

ACCOUNT INFORMATION

Minimum Account Requirements

Participation in this program is subject to certain minimum account requirements. The minimum account size for the standard MF program and for the ETF Traditional program is \$50,000. Exceptions will be permitted at the discretion of BAM. In both programs, a minimum annual fee of \$875.00 applies, but may be waived by the firm. The firm also has a mutual fund program called the Diversified Growth Portfolio for accounts between \$10,000 and \$50,000. In that program, the minimum annual fee does not apply.

Participation in the Core, Core Tac and Trend Tac Tactical program is \$100,000.00. Exceptions will be permitted at the discretion of BAM. Due to the nature of the program, BAM reserves the right to terminate management if assets fall below \$65,000.00. At that point the advisor will discuss options outside this program.

BAM clients are primarily retirement age individuals in the “mass affluent” category, i.e., individuals with \$100,000 to \$2,500,000 of liquid financial assets. BAM also has pension/profit sharing plans, charitable organizations, and corporations as clients. This account size is subject to change and is negotiable by our firm, at any time and in our sole discretion.

Select Trac Program clients must direct Bruderman Asset Management, LLC as to the broker dealer/custodian to be used in managing their account. As a condition for program participation, clients are required to direct us to custody their assets with and to place trades through Bruderman Brothers, LLC on NFS separate platform. BAM has negotiated an arrangement with NFS to provide custodial and brokerage services as part of the Select Trac Program.

As such, we reserve the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than Bruderman Brothers, LLC and NFS.

BAM only maintains custody through its ability to directly debit wrap fees from client accounts.

Item 6 Portfolio Manager Selection and Evaluation

MANAGEMENT

Portfolio Manager Selection

All participating clients' assets are managed by advisory personnel of our firm. Bruderman Asset Management, LLC does not select outside portfolio managers to manage our strategies. As such, BAM Portfolio Managers must possess, minimally, a college degree and/or appropriate business experience and all required licenses.

*Please refer to Item 4 - Services, Fees and Compensation, of this wrap fee disclosure

brochure for detailed disclosures regarding all of the portfolio management services we provide to clients. Principally, BAM utilizes its strategic investment committee to oversee portfolio strategy and management. The committee is made up of minimally five investment professionals. These individuals include:

Gary M. Goldberg obtained a Bachelor of Arts in Liberal Arts from Bard College in 1961. He attended Brooklyn Law School for 1-1/2 years. He has been in the financial services industry since 1973. Mr. Goldberg serves as Executive Vice President and Strategic Investment Committee Member for BAM and determines the overall investment policies with regard to advice provided to BAM clients.

Peter Dedel is a graduate of Lehigh University, attended Wesleyan and holds two graduate degrees from Columbia. He was previously with Gary Goldberg & Co. since 1979, and is the Vice President and Strategic Investment Committee Member for BAM.

William Krivicich earned his Bachelor of Science degree in Finance from the State University of New York at New Paltz. He has been in the financial services industry since 1998. Mr. Krivicich currently serves as BAM's Chief Investment Officer and holds the designation of Chartered Financial Analyst. Mr. Krivicich also serves as a Strategic Investment Committee Member.

Richard Kersting earned his Bachelor's degree in Finance and Economics from the State University of New York at Albany. He has been in the financial services industry since 1989. Mr. Kersting currently serves as Senior Vice President and Strategic Investment Committee Member.

Portfolio Performance Reporting and Performance Based Fees

Our firm does not accept performance-based fees from Program clients.

ANALYSIS & STRATEGIES

Methods of Analysis, Sources of Information, and Investment Strategies

The mutual funds and ETFs selected by BAM will be chosen on the basis of any or all of the following criteria: the investment's performance history; the industry sector in which the fund or ETF invests; the track record of the Fund's or ETF's manager; the fund's or ETF's investment objectives, management style and philosophy, and management fee structure. BAM utilizes several data resources in gathering pertinent investment information, including financial newspapers and magazines, research materials and reports, corporate rating services, annual reports, prospectuses, and SEC filings. Research services are also used for some strategies from time to time.

We use the following methods of analysis to determine which securities to buy, sell, or hold:

Fundamental analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse. Charting analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Asset allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated

investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Computer software: We use computerized financial planning software to organize data and create a preliminary analysis of the client's current and projected financial situation. In order to analyze security performance and risk, we use a variety of technical data supplied by third parties as well as percentile rankings of mutual fund managers' adjusted risk performance.

A risk of such computer programs is that projections and recommendations formulated from the program are generated from assumptions entered by the software's programmers, often based on how markets or securities have historically performed. However, markets and securities can and often do perform differently than they have in the past.

Risks for all forms of analysis

Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Using these techniques as appropriate for the designated strategy under circumstances then existing, mutual funds and ETFs will be continuously monitored and evaluated relative to market and industry conditions. Portfolio weighting between funds or ETFs and market sectors will be determined according to the specific objectives of the designated strategy.

Clients will have the opportunity to place reasonable restrictions on the investments which will be made on the client's behalf. Clients will retain individual ownership of all securities in their Program account. BAM may use money market mutual funds to "sweep" unused cash balances until they can be appropriately invested.

Client should be aware that losses may be incurred through mutual fund or ETF investments. BAM makes no guarantees as to account performance. Past performance is not indicative of or a guarantee of future results. BAM does not make any representation or guarantee that the Programs' strategies will be successful. Clients could lose money in the Programs. Mutual funds and ETFs are obligated to distribute portfolio gains to shareholders by year-end. These gains may be generated due to index rebalancing or to meet diversification requirements. ETF trading can generate tax consequences and transaction expenses. Certain traditional mutual funds can be tax inefficient.

BAM may enter into sub-advisory agreements with other advisors to create portfolio models. Under these agreements, the sub-advisor renders impersonal advice to BAM.

This advice is in accordance with information from BAM concerning a portfolio model's goals and objectives, as well as any special instructions or limits. The sub-advisor will also provide wholesaling, marketing and sales support services to BAM and its associates. The sub-advisor provides BAM with ongoing economic analysis, portfolio design, model design, and securities selection. BAM, and not the sub-advisor, is responsible for determining whether a given model is appropriate for BAM clients, as well as for actually implementing the impersonal advice rendered by the sub-advisor to BAM.

BAM's Investment Advisory Agreement will contain language whereby Client directs the advisor to accept on client's behalf copies of the prospectus for any investments purchased by the advisor for the client's account, and will provide that such language will serve as evidence to third parties of advisor's authority to receive prospectuses on client's behalf. The Agreement will provide that advisor will furnish copies of such prospectuses to client upon client's written request.

Investment Strategies

We use the following strategy(ies) in managing our wrap fee model portfolios, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. This strategy is a primary strategy in our portfolios. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

1. Our investment committee believes the securities to be currently undervalued, and/or
2. BAM wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before BAM can make the decision to sell.

Short-term purchases. Short-term purchases are not a primary strategy, but may occasionally be employed, where BAM feels the strategy may be of benefit. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, if clients are not participating in a wrap fee based program, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs. Moreover, clients should be aware of the potential for less favorable tax treatment of short-term capital gains.

Trend Tracking In the firms Core-Tac and Trend-Tac programs, Bam will use a Trend following strategy that used an objective metric to evaluate the quality of medium-term price trends. Securities are either held or traded based on the duration and magnitude of the trend they are following.

Short Sale. Rarely, BAM may utilize short selling strategies. In this strategy, BAM borrows shares of a stock for the client's portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, BAM buys the same stock and returns the shares to the original owner. BAM engages in short selling based on BAM's determination that the stock will go down in price after BAM has borrowed the shares. If BAM is correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

One risk in selling short is that losses are theoretically unlimited; we are obligated to repurchase the stock no matter how much the price has climbed. In addition, even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place. Short selling may not be appropriate in times of inflation, as prices may adjust upwards regardless of the value of the stock.

Margin transactions. BAM will purchase stocks for the client's portfolio with money borrowed from the client's brokerage account. This allows the client to purchase more stock than the client would be able to with the cash that is available, and allows BAM to purchase stock without selling other holdings. Again this is a strategy rarely employed by BAM, and only where the Investment Committee feels appropriate.

Option writing. BAM may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

BAM employs two types of options, calls and puts:

- A call gives BAM the right to buy an asset at a certain price within a specific period of time. BAM will buy a call if BAM believes that the stock will increase before the option expires, or as a hedge for a short position.
- A put gives BAM the right to sell an asset at a certain price within a specific period of time. BAM will buy a put if BAM believes that the price of the stock will fall before the option expires, or as a hedge to a long position.

Covered calls are the strategies most commonly employed by BAM in many equity focused portfolios. BAM uses "covered calls," in which BAM sells an option on a security owned by the client. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

BAM will use options to speculate on the possibility of a sharp price swing. BAM will also use options to "hedge" a purchase of the underlying security; in other words, BAM will use an option purchase to limit the potential upside and downside of a security that has been purchased or shorted in the client's portfolio.

BAM uses a "spreading strategy", in which BAM purchases two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors. BAM rarely utilizes this strategy.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

PROXY VOTING

Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment Advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 7 Client Information Provided to Portfolio Managers

The client's BAM investment advisor representative responsible for the ongoing management of a client in our Program will typically complete an account evaluation questionnaire for each newly opened managed account. Answers are formed through in-depth conversations with clients. Questions are specific and relate to such items as annual income, net-worth, liquidity requirements, portfolio strategy, objectives, risk tolerance, performance horizon, among other things.

The relevant information is submitted to BAM and a determination is made as to whether participation in this program is appropriate for the client. On an ongoing basis, the participating client's investment advisor representative is responsible for obtaining and communicating to the Investment Committee any changes in the client's financial circumstances and/or objectives. BAM accepts reasonable client-imposed restrictions if received in writing from the client.

BAM requests that the client's investment representative review the questionnaire annually and confirm with the client that there are no changes in the client's personal or financial situation, investment objectives, risk tolerance, or investment time horizon, and whether the client wishes to impose any new restriction or modify any existing restriction with respect to the Program account and to ensure the selected investment strategy(ies) remain appropriate for the client's circumstances and consistent with the client's investment objectives. Clients will also receive monthly or quarterly statements from NFS reflecting all holdings, positions, and activity in the Program account.

Members of the investment committee will review the designated strategy on an ongoing basis, and may make changes in the asset allocation among the funds or ETFs in their discretion. Accounts will be reviewed on a regular basis by the representative assigned to client's account.

Item 8 Client Contact with Portfolio Managers

BAM's investment advisor representatives act as the sole investment advisor representative of each client's account(s) and are reasonably available during regular business hours to discuss the account management and performance of the client's account and changes in the client's situation which may have an impact on the management of the client's account. Clients will not generally have access to the Strategic Investment Committee which manages the strategies for each Program.

Item 9 Additional Information

Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

Management and certain registered personnel of Bruderman Asset Management, LLC are separately licensed as registered representatives with Bruderman Brothers, LLC (CRD #47957 and SEC Filing #8-51974), an affiliated FINRA member broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they could receive separate, yet customary compensation.

Bruderman Brothers, LLC generally acts as broker-dealer for the Select Trac Equities, Select Trac Buster, Advisor Plus, and Fund Trac/Variable Annuity Programs. (For Select Trac Mutual Fund and ETF programs please see appendix 1). Transaction charges for accounts are generally to be paid by the client. In addition, equity transactions will generally incur costs. The clearing firm will also generally receive all or a portion of the per share charge for equity transactions.

Our firm and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of securities or other investment products that we recommend through our broker/dealer, Bruderman Brothers, LLC

While Bruderman Asset Management, LLC and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Bruderman Brothers, LLC receives compensation from the issuers of all of the variable annuities that are available to brokerage customers. The compensation includes up-front commissions, trailing commissions, and may include payments for both administrative services that Bruderman Brothers, LLC provides, and payments made in connection with programs that support its marketing and sales-force education and training efforts (referred to here as "Sponsorship Programs").

The variable annuity issuers that participate in the Sponsorship Programs are listed below (Participating Sponsors). The payments made under the Sponsorship Programs are calculated based upon the new assets that are invested in the variable annuity contracts issued by the Participating Sponsors (a Participating Annuity). These Participating Annuities may be managed by BAM in their Fund Trac Variable fee-based advisory program. Bruderman Brothers, LLC may receive compensation of up to 0.50 percent of the assets invested in a Participating Annuity.

Participating Sponsors:

AIG Sun America Life
Assurance Company
Allstate Life Insurance Company

AXA Distributors LLC
Genworth Financial
The Hartford
ING USA Annuity and Life Insurance Company
Jackson National Life Insurance Company
John Hancock Life Insurance Company
Lincoln Financial Distributors, Inc.
MassMutual Life Insurance Company
MetLife Investors Insurance Company
Nationwide Life Insurance Company
Pacific Life Insurance Company
Prudential Life Assurance Corporation
Scudder Distributors, Inc.
Sun Life Financial Distributors, Inc.
Transamerica Capital, Inc.
US Allianz Investor Services, LLC

Variable annuities are sold by prospectus, which contains more complete information including investment objectives, risk factors, fees, surrender charges and other costs as well as other information about the investment company. Read it carefully before investing or sending money.

Certain Officers of Bruderman Brothers, LLC and BAM are members of Montebello Partners LLC, (“MPLLC”) a Delaware Limited Liability Company and an affiliated Investment Advisory Firm registered with the Securities and Exchange Commission. MPLLC is currently inactive.

Bruderman Brothers, LLC is a wholly owned subsidiary of Bruderman Asset Management, LLC. Bruderman & Company LLC, which also owns Bruderman Asset Management, LLC, also has a controlling interest in MPLLC.

Certain management members and investment advisor representatives are also registered as insurance agents. Products sold through these individuals may generate a commission to the firm and the representative. BAM and its associates have a conflict of interest when recommending insurance products for which they will receive additional compensation. Clients are always free to decline insurance recommendations, or may choose to implement those recommendations through channels unaffiliated with BAM.

While Bruderman Asset Management, LLC and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the ability to receive separate, additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clients should be aware that when any affiliated person(s) of Bruderman Asset Management, LLC receive additional compensation this creates a conflict of interest

that may impair the objectivity of our firm and these individuals when making advisory recommendations. Our firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor; we take the following steps to address this conflict:

- I. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- II. We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- III. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- IV. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and

We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

In evaluating such an arrangement, the client should recognize that brokerage commissions for the execution of transactions in the client's account are not negotiated by Bruderman Asset Management, LLC on a trade-by-trade basis, and best execution may not be achieved. In addition, as noted above in Item 4, transactions in the client's account are effected "net" (i.e., without separate commission charge to the client) and a portion of the wrap fee is generally considered as being in lieu of commissions. Not all advisers require clients to direct it to use a particular broker dealer, though the sponsors of wrap fee programs typically do.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Bruderman Asset Management, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Bruderman Asset Management, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to tcattani@mjbc.com, or by calling us at (845) 368-2900.

Principal and Agency Cross Transactions

BAM is an affiliated company with Bruderman Brothers, LLC, a registered broker/dealer. Bruderman Brothers, LLC and its president, Mathew Bruderman (who is also the president of BAM), may buy securities for itself as principal from, or sell securities to, any client of BAM who may also have a brokerage account with Bruderman Brothers, LLC.

Bruderman Brothers, LLC may on rare occasions, execute “agency-cross” transactions (*i.e.*, transactions for which Bruderman Brothers, Inc. acts as broker for both the client and the counterparty to the transaction). However, Bruderman Brothers, LLC will only effect these transactions for advisory accounts in accordance with applicable law and regulations.

Because Bruderman Brothers, LLC may receive compensation from the other party to such transaction, Bruderman Brothers, LLC may have a potentially conflicting division of loyalties and responsibilities in effecting agency-cross transactions. Clients who have authorized such transactions may revoke this authorization at any time by written notice to Bruderman Brothers, LLC.

Participation or Interest in Client Transactions

As noted above, BAM is an affiliated company of Bruderman Brothers, LLC, a registered broker/dealer. Bruderman Brothers, LLC and its CEO, Matthew Bruderman (who is also the CEO of BAM), may buy securities for itself as principal from, or sell securities to, any client of BAM who may also have a brokerage account with Bruderman Brothers, LLC. Additionally, Bruderman Brothers, LLC may effect for compensation securities transactions on behalf of such clients of BAM.

Bruderman Brothers, LLC and its CEO may buy securities for itself as principal from, or sell securities to, any client of BAM who may also have a brokerage account with Bruderman Brothers, LLC. Bruderman Brothers, LLC will generally not execute principal transactions with clients in advisory accounts. However, in accordance with applicable law and regulation, Bruderman Brothers, LLC may on rare occasions execute principal trades for advisory accounts.

In addition, Bruderman Brothers, LLC will generally not execute “agency-cross” transactions (*i.e.*, transactions for which Bruderman Brothers, LLC acts as broker for both the client and the counterparty to the transaction). However, Bruderman Brothers,

LLC may on rare occasions execute agency-cross transactions for advisory accounts in accordance with applicable law and regulations.

Because Bruderman Brothers, LLC may receive compensation from the other party to such transaction, Bruderman Brothers, LLC may have a potentially conflicting division of loyalties and responsibilities in effecting agency-cross transactions. Clients who have authorized such transactions may revoke this authorization at any time by written notice to Bruderman Brothers, LLC

All of these situations may create a conflict of interest. To assist BAM in fulfilling its fiduciary responsibilities, it has adopted procedures intended to foster implementation of the following:

No person associated with BAM may buy or sell securities for their personal portfolio(s) if the decision to do so is based in whole or in part on information obtained through the association with BAM, unless the information is reasonably available to the investing public.

1. Associated persons of BAM who have access to recommendations provide duplicate statements of their investment accounts to the company's compliance department. An officer, or his designee, reviews the statements.
2. Disclosure is made to all clients that associated persons of BAM may receive separate compensation when effecting transactions on behalf of advisory clients.
3. BAM requires that all associated persons act in accordance with all applicable Federal and State regulations.
4. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
5. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
7. Failure to comply with these points may result in the termination of the associated person.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the above noted policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and prospective clients with full and fair disclosure of such conflicts of interest.

Review of Accounts

William Krivicich, the firm's Chief Investment Officer, reviews client accounts on weekly basis and meets with the firm's Strategic Investment Committee, which includes Gary Goldberg, Richard Kersting, and Peter Dedel, at least monthly to review the account and determine whether the accounts are within their stated guidelines.

At least annually, the designated investment adviser representative of the client's account will meet with the client (either in person or over the phone) to review and update, as necessary, the client's investment profile. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's investment profile is warranted.

All clients receive account statements from their custodian(s) on at least a quarterly basis.

Client Referrals and Other Compensation

BAM currently has not entered into any referral fee arrangements. Although BAM may, in the future, enter into solicitation agreements through which it will receive compensation for referring clients to other investment advisory programs. Where BAM acts a solicitor, the firm will refer investors to other advisors and receive a referral fee for doing so. At such time that BAM enters into such a relationship, it will provide a separate disclosure statement describing the arrangement and the compensation to be paid to BAM. BAM will also provide the client with the other advisor's disclosure documents. In all cases, solicitation fees or referral fees are paid out of the advisor's stated management fee; clients do not pay an additional fee to BAM.

BAM may enter into solicitation agreements through which it will pay referral fees to a solicitor for referring clients to our firm. In addition BAM associates are compensated through receipt of a portion of the asset-based fee. As such, they receive more compensation when they bring in new clients to BAM, and that compensation may be

more than what the person would receive if the client participated in other programs, or paid separately for investment advice, brokerage, and other services.

In addition, the firm periodically offers incentive arrangements whereby associates receive a higher level of compensation based on assets brought to the firm in a specific time period. Therefore, BAM's associates have a financial incentive to recommend the Programs over other programs or services.

BAM may from time to time pay referral fees to our affiliated broker/dealer, or its employees, for referrals of clients, where allowable by law. These referral fees would be paid out of the Program Fees paid to BAM so there would be no additional charge to the referred client.

Other Compensation

Except as noted above, in the "Other Financial Industry Activities and Affiliations" section of this Item 9, our firm and/or our officers and representatives have no other compensation arrangements.

Financial Information

As an advisory firm that maintains discretionary authority over client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Bruderman Asset Management, LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Bruderman Asset Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.