

Item 1: Cover Page – Form ADV Part 2A Brochure



(Firm CRD #143379 / SEC #801- 111051)
299 Milwaukee Street, Suite 201
Denver, CO 80206
Email: info@lgadvisors.com
Website: www.lgadvisors.com
Phone: 720.593.9861
Fax: 815.572.0556

March 5, 2019

Form ADV, Part 2A; our “Disclosure Brochure” or “brochure” is required by the Investment Advisers Act of 1940, and is a very important document between clients (“you”, “your”) and LotusGroup Advisors, Inc. (“LotusGroup,” “LGA,” the “Adviser,” “us,” “we,” or “our”). This brochure provides information about the investment advisory services, qualifications and business practices of LotusGroup, an investment advisory firm. As required by federal and state regulations, this brochure is on file with the appropriate securities regulatory authorities.

The information in this brochure has not been approved or verified by the Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this brochure is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration as an investment adviser does not imply any level of skill or training, and investments involve risk, including the possible loss of principal. The oral and written communications of an investment adviser provide you with information that you may use to determine whether to hire or retain the Adviser.

Please contact LotusGroup’s Chief Compliance Officer, Amanda N. Cohen, directly at 720.593.9861, if you have any questions about the contents of this brochure.

Additional information about LotusGroup Advisors, LLC. is available on the SEC's website at www.adviserinfo.sec.gov.

*(Click on the link, select “Investment Advisor Firm,” and type in the firm name.
Results will provide you both Part 1 and 2 of the firm’s Form ADV.)*

Item 2: Summary of Material Changes

Update

LotusGroup Advisors is providing the following information as part of an “annual amendment” update. The last annual amendment update to the Adviser’s Form ADV Part 2A was January 2018. This amendment filing discusses only the material changes that have occurred since the last update of this brochure, which are as follows:

- **Assets Under Management** (“AUM”) as of March 5, 2019:

| | |
|------------------------|-------------------|
| Discretionary AUM: | \$ 74,704,185.69 |
| Non-Discretionary AUM: | \$ 67,886,858.76 |
| Total AUM: | \$ 142,591,044.45 |

- The Advisor updated Stephanie L. Schlemeyer’s position to include Partner (1.8%), effective January 1, 2019.
- The Advisor updated Nicholas S. Pirnack’s position to include Partner (1.8%), and job title to be Senior Advisor from Lead Private Client Advisor, effective January 1, 2019.
- The Advisor hired Devonee L. Kershner as Lead Private Client Advisor, effective January 2, 2019.
- The Advisor terminated its relationship with Cole Newcomer, effective February 8, 2019.
- The Advisor is now under common-control with its affiliated Registered Investor Advisor, LotusGroup Capital, LLC, also referred to as ‘LGC’, as of October 2018.

Full Brochure Availability

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of LotusGroup Advisors.

At any time, you may view the current Disclosure Brochure online at the SEC’s Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number (CRD #143379). You may also request a copy of this Disclosure Brochure at any time by contacting us at 720.593.9861.

Item 3: Table of Contents

| | |
|---|----|
| Item 1: Cover Page – Form ADV Part 2A Brochure..... | 1 |
| Item 2: Summary of Material Changes | 2 |
| Item 3: Table of Contents..... | 3 |
| Item 4: Advisory Business | 4 |
| Item 5: Fees & Compensation | 5 |
| Item 6: Performance-Based Fees & Side-By-Side Management..... | 7 |
| Item 7: Types of Clients..... | 7 |
| Item 8: Methods of Analysis, Investment Strategies & Risk of Loss | 7 |
| Item 9: Disciplinary Information..... | 11 |
| Item 10: Other Financial Industry Activities & Affiliations..... | 11 |
| Item 11: Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading | 12 |
| Item 12: Brokerage Practices | 13 |
| Item 13: Review of Accounts | 15 |
| Item 14: Client Referrals & Other Compensation | 16 |
| Item 15: Custody | 16 |
| Item 16: Investment Discretion..... | 17 |
| Item 17: Voting Client Securities..... | 18 |
| Item 18: Financial Information..... | 18 |
| Item 19: Requirements for State-Registered Advisers..... | 18 |
| Privacy Policy..... | 19 |
| Business Continuity Plan..... | 20 |
| Information Security Program | 20 |
| Form ADV Part 2B Brochure Supplement - Raph A. Martorello | 21 |
| Form ADV Part 2B Brochure Supplement - Andleib “Andy” Seth..... | 25 |
| Form ADV Part 2B Brochure Supplement - Douglas E. Reese | 28 |
| Form ADV Part 2B Brochure Supplement - Nicholas S. Pirnack | 31 |
| Form ADV Part 2B Brochure Supplement - Stephanie L. Schlemeyer | 34 |
| Form ADV Part 2B Brochure Supplement - Karsten E. Gucinski | 37 |
| Form ADV Part 2B Brochure Supplement - Matthew J. Woolbright..... | 40 |
| Form ADV Part 2B Brochure Supplement - Devonee L. Kershner | 43 |
| Form ADV Part 2B Brochure Supplement - Louis C. Frank | 46 |

Item 4: Advisory Business

Description of the Advisory Firm

LotusGroup Advisors, LLC (hereinafter “LotusGroup” or “LGA”) is a privately-held Registered Investment Advisor company that was formed on December 22, 2006 and is organized as a limited liability company under the laws of the State of Colorado. The Firm has been in business since January 2007 and is principally owned by Raphael A. Martorello, Managing Partner (86.76%) and Andleib “Andy” Seth, Partner (9.64%), Nicholas S. Pirnack, Partner and Senior Advisor (1.8%), and Stephanie L. Schlemeyer, Partner and Product Manager (1.8%). LGA is authorized to do business in any state but also has specific registrations in the states of California, Colorado, New Hampshire, New York., and Texas. *(Please refer to Form ADV Part 2B for details of their formal education and business background.)*

Types of Advisory Services

LotusGroup offers the following services to advisory clients:

Financial Planning & Portfolio Management

LotusGroup Advisors offers financial planning services and advice, investment advisory and portfolio management services for private clients, solicited clients, and companies (all collectively called “clients” going forward in this document) through a Full Trading Authorization and a Limited Power of Attorney.

LotusGroup Advisor’s minimum asset requirement for new clients is \$500,000. LotusGroup Advisors may make an exception to the minimum asset requirement at its sole discretion. There are no ongoing contribution requirements, although this practice is highly recommended for ongoing savings, asset allocation, and tax efficiency purposes.

Clients undergo an introductory interview to outline their financial situation and to help LotusGroup Advisors set risk tolerance and investment objectives. Clients then choose a portfolio strategy based on their risk profile, investor behavior profile, liquidity needs, and the amount of assets that LotusGroup Advisors will be managing on their behalf. Clients select one of six risk profiles: aggressive, moderate-aggressive, moderate, conservative-moderate, conservative, and ultra-conservative and select one of six portfolio strategies based on behavior profile and assets: emerging, global index, global rotation, tactical active, tactical absolute, and private investment only.

LotusGroup Advisors meets with clients periodically to review their financial situation, answer questions, and determine if any adjustments are needed relative to their financial objectives, risk tolerance, and time horizon. For individual clients who have expressed interest, we offer a complimentary financial scenario analysis and goal tracking service to help them make major life decisions (e.g. moving to a different state, changes in jobs, retirement projections, cash flow analysis, college planning, etc.), and to help them track how they are doing against their goals, on an ongoing basis.

LotusGroup Advisors does not participate in wrap fee programs by providing portfolio management services and therefore receives no portion of a wrap fee for our services. LotusGroup Advisors pays referral fees to solicitors in exchange for client referrals.

LotusGroup Advisors provides the above services, managing \$142,591,044.45 in client assets, \$74,704,185.69 on a discretionary basis, and \$67,886,858.76 on a non-discretionary basis as of March 5, 2019. LotusGroup Advisors performs daily management activities within the guidelines of an Investment Policy Statement (“IPS”), without day-to-day client consultation (known as “discretionary” management of assets). All funds are held in a client’s account at an independent brokerage firm(s), and each client authorizes invoices to be paid from their account(s).

In addition, LotusGroup also provides:

1. Account setup and transfers to a selected Broker/Custodian,
2. Development of a Client Investment Policy Statement (“IPS”), along with a personalized savings & investment program,
3. Discretionary selection of specific investments within the program,
4. Periodic adjustment of the asset allocation model within the stated client’s category grouping and risk profile,
5. Weekly administration of portfolio rebalancing as assets move outside of a specified target range,

6. Production and distribution of individual quarterly performance reports,
7. Production and distribution of client newsletters every 45 days,
8. Ongoing reviews and updates of client goal-trackers,
9. Personalized advice and analysis to assist in making good decisions,
10. Sourcing, negotiation, and sharing of private investment opportunities to enable clients to select the opportunity in which they would like to participate, the amount they would like to invest, and an account in which they would like to invest. (The aforementioned is LGA's "non-discretionary" investment management business, wherein each client chooses investments for themselves, with LGA providing access, advice, and ongoing updates. These services are only available for clients that are self-determined as "Accredited" investors.),
11. Ongoing management of the LGA IncomePlus Fund, and
12. Support in setting up 401K plans for small business owners, and investment fund line-up evaluation and selection services.

Private Fund Management – LGA IncomePlus Fund, L.P.

LotusGroup Advisors also serves as the investment manager and provides discretionary advisory services to one (1) private fund, the "LGA IncomePlus Fund, L.P., (the "Fund"), organized as a limited partnership.

As part of LGA's private investment program, the LGA IncomePlus Fund, LP, was launched on January 16, 2018. The Fund is managed by a general partner, PPB LGA Income Management, LLC ("GP"), which is also the fiduciary of the fund. LGA is the investment manager of the Fund, performing the sourcing and management of individual investments and investment managers within the Fund.

The LGA IncomePlus Fund, L.P., seeks to preserve capital by investing in recession-resilient sectors with low correlations to public markets & the economy. All investments are backed by hard assets, and most deliver attractive current yields ("Income") relative to fixed income options available in the public markets. Additional capital gains accrue upon investment exits ("Plus") for select investments within the Fund.

To achieve its stated goals, the Fund provides exclusive access to seven of the firm's pre-existing relationships, using a fund-of-funds approach. LGA has pre-negotiated with these underlying managers to achieve volume discounts and fee reductions on management and incentive fees. Additionally, LGA has negotiated for direct access purchases, such as co-investments. Finally, LGA will be sourcing direct investment opportunities within the Fund's targeted theme of asset-backed and recession-resilient investment categories, defined as investments that are not fully exposed to cyclical market effects during a downturn and are uncorrelated to economic or public market events.

LGA maintains ongoing monitoring, surveillance, and management of each investment within the Fund, and will guide the GP on fund reserves, distributions, and exits. The Fund has a 1-year raise period, a 4-year investment period, and a 2-year wind-down period. (More details on LGA's strategies can be found in 'Item 8: Methods of Analysis, Investment Strategies & Risk of Loss' of this Brochure.)

Client Tailored Services & Client Imposed Restrictions

LGA offers the same suite of services to all its clients. In rare cases, a client may request that LGA does not sell certain legacy security (e.g., an inherited stock with large capital appreciation).

Clients can impose restrictions on investing in certain securities or types of securities by their values or beliefs. However, if the restrictions prevent LGA from properly servicing the client account, or if the restrictions would require LGA to deviate from its standard suite of services, LGA reserves the right to end the relationship.

Item 5: Fees & Compensation

Please note, unless a client has received the Firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. LotusGroup's payment is dependent upon the type of advisory service performed. Management fees are not negotiable, albeit LGA reserves the right to provide a one-time fee discount to adjust for a specific client situation (e.g. LGA may provide a fee credit for idle cash in the situation where a client

would like to invest in a private offering that won't be available for a number of months but deposits money into an account ahead of time).

Fee Schedule

Investment Management Fees

The LotusGroup Advisors' management fee is based solely on client's assets under management. LotusGroup Advisors does not utilize alternative compensation schemes such as mutual fund kick-backs, commissions, performance pay, etc. so that we align client and advisor interests while minimizing conflicts of interest.

LotusGroup Advisors management fees range from 0.75% to 2.5% per annum depending on assets under management and investment strategy selected and are clearly articulated in Client Agreements. Solicited clients also have a specific fee schedule based on assets under management and investment strategy selected, with financial planning fees broken out separately, all of which is clearly articulated in the Solicited Client Agreement. LotusGroup Advisors retains the discretion to negotiate fees. Clients may be able to find advisory services at lower prices, and LGA retains the discretion to negotiate fees and has a small subset of clients with reduced or free fee schedules – for example, direct family, original beta clients, etc.

Pro-rated fees are calculated and billed in advance at the beginning of each calendar quarter, based on the current assets under management before the market open, on the first day of the quarter, including cash held in accounts. Fees are deducted mid-quarter, on the 45th day of the quarter. For the first quarter, the billing statement is prorated based on the client start date. Client start date is the date the contract is signed by both parties. However, management fees are not calculated or charged until the first day when funds arrive in the client's account(s). Upon account closure (at-will by either party), prorated fees will either be collected from or returned to the client based on the day funds are withdrawn from Advisor's supervision by terminating the Client Agreement in writing.

Advisory Fees are automatically deducted by LotusGroup Advisors from the Client's account. In all cases, the Client receives an invoice from LotusGroup Advisors before the withdrawal, and withdrawals are authorized by the client through a signed Customer Agreement, and through written authorization with the Custodian. Invoices are sent to clients at the beginning of each quarter, but no later than the 15th day of the first month in the quarter, along with their quarterly reporting packet. The Custodian also sends monthly account statements to the Client with the management fee transaction displayed in its withdrawal month. LotusGroup Advisors sends the invoices to the Custodian for withdrawal of fees on the 45th day of the quarter.

Clients incur portfolio expenses arising from brokerage transaction fees, wire transfer fees, annual private asset custodian fees, and underlying mutual fund and ETF expenses. LotusGroup Advisors has taken numerous steps to minimize these investment costs by selecting a lower cost brokerage for clients to access, utilizing many free or no-transaction-fee funds, and selecting lower cost ETF funds for the predominant portion of client portfolios. Please refer to 'Item 12' of this brochure for more information regarding brokerage practices.

Private Investment Fund Fees - LGA IncomePlus Fund, L.P.

The Fund has two share classes, Class A, and Class B.

Class A is for existing LGA clients and includes a 0% management fee, to eliminate redundancy for clients who are already paying a management fee for wealth management services. Class A investors are charged a 5% incentive fee on distributed Fund gains, only after 100% of their capital is returned, as compared to industry standard incentive fees of 10-20%. The Fund charges 0% in up-front commissions, versus 3-5% fees often confronted (and in some cases 8-10%). The intent is to minimize conflicts of interest for existing clients to choose to invest in the Fund versus other alternatives with LGA (public investments, cash, direct private placements, etc.). The 5% incentive fee does present conflict in that there are slightly higher fees for LGA to receive on the back-end, but these are mainly to cover LGA's additional costs in creating and administering the Fund for clients. To align LGA's interests with those of our clients, we have structured these fees to be received only on the back end, after clients have received all invested capital.

Class B shares are for non-LGA clients who want to access the asset class, but who prefer to manage the remainder of their assets outside of LGA. Class B shares have a 1% management fee and a 10% incentive fee, but Class B investors are not charged a management fee as a wealth management client. In all cases, investors must be a Qualified Client, a

higher designation than simply an Accredited Investor.

Item 6: Performance-Based Fees & Side-By-Side Management

LGA's wealth management fee is based solely on client assets under management. We do not utilize alternative compensation schemes such as mutual fund kick-backs, commissions, performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets) or attempt to help align client and advisor interests.

Consequently, we do not engage in the side-by-side management of accounts that are charged a performance-based fee with accounts that are charged with another type of fee (such as assets under management). As described above, we provide our services for an advisory fee that is based upon a percentage of a client's assets under management, which is by state and federal requirements.

Concerning our LGA IncomePlus Fund, L.P., an incentive fee is included; after all, capital is returned to investors. (For more information on the Fund, refer to Items 4, 5, and 8.)

Item 7: Types of Clients

LotusGroup Advisors provides discretionary and non-discretionary investment advice and management supervisory services, and solicits several types of clients, including the following:

- Private individuals (taxable accounts, retirement accounts, educational accounts)
- High-net-worth individuals
- Pooled investment vehicles (other than investment companies and business development companies)
- Trusts (personal and business accounts)
- Companies that have excess cash that they would like to have invested conservatively
- Pension and profit-sharing plans (but not the plan participants or government pension plans)
- Other investment advisors

Minimum Account Size

Minimum asset requirement for new wealth management clients is \$500,000. LotusGroup Advisors may make an exception to the minimum asset requirement at its sole discretion. Minimum asset requirements for investors in the LGA IncomePlus Fund is \$250,000. LotusGroup Advisors has the discretion to accept a lower minimum at its sole discretion.

Private Investment Fund - LGA IncomePlus Fund, L.P. Clients

Details concerning applicable LGA IncomePlus Fund investor suitability criteria are outlined in the applicable Fund's Governing Documents. The minimum commitment for an investor is outlined in the applicable Fund's Governing Documents, including the discretion of LGA to accept less than the minimum investment threshold. Each investor in the Fund who is a U.S. Person (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) is required to meet certain suitability qualifications, such as being an "accredited investor" as defined under Rule 501(a) of Regulation D of the Securities Act.

Private Investment Fund - LGA IncomePlus Fund, L.P., Minimum Account Size

The Fund has a minimum investment as outlined in its offering documents. The minimum investment is typically subject to the discretion of the Funds' GP or managing member (as applicable), which may permit investments of a smaller amount generally or concerning any investor.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Analysis & Strategies

LotusGroup Advisors maintains a list of investable asset classes and our preferred investment product(s) within these

asset classes. This list is continually refined as market conditions change, and new products become available. Such investment products are evaluated continuously through a combination of our independent analysis and purchased research, with the goal to find the lowest cost and best performing options for our clients, LGA does not receive commissions for selecting Fund A versus Fund B (this is done to maintain our independence, to act in the best interests of clients, and avoid conflicts of interest).

LotusGroup Advisors then provides clients with the following investment choices within their stated client grouping and risk profile, referencing the investable asset/product list described above:

- **Strategic Asset Allocation:** The Global Index portfolio aligns with the efficient market theory and is invested in a diversified portfolio where the assets are held and rebalanced periodically to keep allocations aligned with their strategy. The Global Rotation portfolio uses a similar approach in that the portfolio is diversified and fully invested; however, adds quantitative analysis to overweight or underweight asset classes relative to the Index model.
- **Tactical Asset Allocation:** Quantitative analysis using LotusGroup Advisors proprietary 5-forces methodology (Fuel, Valuation, Sentiment, Technicals, Currency Effects) to develop investment targets for the various asset classes in each client's portfolio (e.g., x% of a client's portfolio to be invested in US-Large Cap Equity for Q2/2011). Investments that have historically exhibited higher returns along with higher volatility will have larger targets in more aggressive portfolios, while lower returning / lower volatility investments will have larger targets in more conservative portfolios. Additionally, client portfolios must be adjusted for the products available within their brokerage accounts (e.g., if x% is dedicated to Long-Short funds, and they do not exist in a client's limited 401K account, then this asset class is over-weighted in their unrestricted brokerage account(s)). As opposed to managers who develop their targets one time, LotusGroup Advisors conducts this analysis and makes investable changes quarterly (semi-annually for emerging clients).
- **Active Trading Services:** Utilization of various LotusGroup Advisors proprietary trading strategies to lock-in profits and reduce or hedge against downturns. Active trading strategies include:
 - Technical value stops
 - Technical trailing stops
 - VXX short-term hedging model
 - NAV premium or discount model
- **Rebalancing:** Buying of investments that have declined below their % targets by a defined variance and selling investments that have risen above their % targets by a defined variance, to rebalance the portfolio to its targeted levels, effectively buying low and selling high in a systematic manner.
- **Private Investments:** A rigorous sourcing process is used to identify, evaluate, and negotiate with private investment fund managers (General Partners or "GP"). Negotiations include investment terms and fees/costs, as well as access to private placements for LGA clients (for example negotiating underlying GP management fees from 2% down to 1.5% or negotiating investment minimums from \$250K down to \$100K). Once clients are invested, LGA maintains ongoing monitoring, surveillance, and management of each investment, including guidance to GPs on fund reserves, distributions, and exits.

Typical public market investments include ETFs, closed-end funds, open-ended funds, and individual company stocks across a broad base of different asset classes: US stocks, US bonds, Foreign stock, Foreign bonds, Emerging Markets, Raw Materials, Energy, Precious Metals, REITs, Currencies, Managed Futures, Long-Short Strategies, Absolute Return Strategies, Merger Arbitrage Strategies. Typical private investments include infrastructure holdings, real estate equity, real estate debt, private debt, special situations, litigation financing, life settlements, and private equity.

For public market investments, both fundamental and technical analyses are used to select individual positions, while volatility-determined price targets are used to help determine entry and exit prices to lock in profits and attempt to minimize losses. Fundamental analysis includes quantitative and qualitative analysis of economic, valuation, sentiment, and currency variables, while technical analysis predominantly includes the use of charting techniques to identify patterns, and key price points for decision making. Money management principles are then applied to limit the exposure of a client's portfolio to the effects of any single investment.

While LotusGroup Advisors works hard to maximize client returns within an acceptable level of volatility for each client, investing involves risk of loss that clients should be prepared to bear. For more active strategies, there is potential for a drag on performance due to increased transaction costs and taxes. We attempt to minimize this drag by using commission-free and low-cost ETFs where possible, as well as intelligent placement of more actively traded investments within non-taxable retirement accounts.

Risks of Loss

LGA seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and international equity markets. However, investing in securities, in general, involves a risk of loss. LGA's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions are not always profitable. Clients should be aware that there could be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account can, at any time be worth more or less than the amount invested.

Risks Involved in Particular Types of Investments

- **Stock Market Risk:** The market value of stocks will generally fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market. Past performance of investments is no guarantee of future results.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This risk is also referred to as exchange rate risk.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations can result in bankruptcy and declining market value.
- **Liquidity Risk:** Liquidity is the ability to convert an investment into cash readily. Assets are generally more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Political & Legislative Risk:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.
- **Reinvestment Risk:** This is the risk that future proceeds from investments will have to be reinvested at a potentially lower rate of return (i.e., interest rate). This risk primarily relates to fixed income securities.

Past performance is not a guarantee of future returns.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Private Investment Fund - LGA IncomePlus Fund, L.P. Risks

The following is an explanation of the material risks LGA believes are associated with its investment strategy. Further discussion of these and other risks associated with an investment in the Fund is outlined in the applicable Fund's Governing Documents. The following risk factors do not purport to be a complete list or explanation of all the risks associated with an investment in the Fund.

- **General:** No guarantee or representation is made that the Fund's investment program will be successful. The Fund invests in assets which may be classified as highly illiquid. An investor should only invest in a Fund if the investor can withstand a total loss of its investment. Past investment performance is not a

guarantee of future results of the Fund or any investment of the Fund.

- **Dependence on Key Individuals; No Right to Control the Fund's Operations:** Under the Fund's Governing Documents, investors will have no rights concerning the control of the Fund's day-to-day operations or the Fund's business, including investment and disposition decisions. To protect their limited liability from the liabilities and obligations of the Fund, investors must rely entirely on LGA to conduct and manage the Fund's affairs. The success of the Fund is expected to be dependent significantly upon the expertise of the certain Key Persons. There can be no assurance that current LGA personnel will continue to manage the Fund throughout its term. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Fund and the value of an investment in the Fund. Although investment professionals employed by LGA will commit a portion of their business efforts to the Fund, except as may be required by the Fund's Governing Documents, they are not required to devote all of their business time to the Fund's affairs; they will devote business time to other aspects of LGA's business.
- **Absence of Regulatory Oversight of the Fund:** The Fund is not required to register as an investment company under the Investment Company Act and is not required to adhere to certain investor protection requirements thereunder.
- **No Assurance of Investment Return:** Neither the Fund, its General Partners or managing members, LGA, or any other person can assure that they will be able to choose, make and realize investments in any particular investment or portfolio of investments. There is no assurance that the Fund will be able to generate returns for its investors (specified herein or otherwise), or that the returns will be commensurate with the risks of investing in the types of investments and transactions described herein or comparable to the Fund's targeted returns. The marketability and value of any such investment will depend upon many factors beyond the control of LGA. The Fund may suffer defaults on its investments and may find it difficult or uneconomic to realize its investments. An investor could lose the entire amount of their contributed capital, and therefore should only invest in a Fund if they can withstand a total loss of their investment. While LGA intends to make investments that have projected returns commensurate with the risks undertaken, a total loss of the investment is possible on any given investment.
- **Uncertainty of Financial Projections:** Financial projections are by their nature inherently subject to risk and are dependent upon some factors, not all of which are within the control of the Fund. Some of the factors that will affect the results achieved by the Fund include political events, taxes, access to capital, competition with other institutions, some of which may have greater financial resources than LGA, financing risks, cap rates, interest rates, and others. While the bases for any returns are believed to be reasonable by LGA's management, it is likely that actual events will differ from LGA's assumptions such that actual results will similarly differ from those presented. Accordingly, there can be no assurance that returns will be achieved and actual results may vary significantly from such expected returns.
- **Valuation of Fund Investments:** The Fund's portfolio investments are not expected to be publicly traded. As such, the fair value of investments may not be readily determinable. Because valuations of private investments are inherently uncertain and may be based on estimates, LGA's determinations of fair value may differ materially from the values that would have been used if a readily available market for these investments existed and may differ materially from the values that the Funds may ultimately realize.
- **Changes in Regulation & Enforcement; Litigation:** The businesses of the Fund, LGA, as well as the financial services industry generally, are subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations or exchanges in the United States and foreign jurisdictions in which they operate. These relate to, among other things, antitrust law, anti-money laundering laws, anti-bribery laws, laws relating to foreign officials, privacy laws concerning client information and the regulatory oversight of the trading and other investment activities of alternative asset management funds and their investment advisers, including the Fund and LGA. Each of the regulatory bodies with jurisdiction over the Fund and LGA has the regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Any failure to comply with these rules and regulations could expose the Fund or LGA to liability or other risks.

The additional legislation, increasing global regulatory oversight of fundraising activities and changes in the law relating to the alternative asset management industry has been particularly acute in the aftermath of the recent global financial crisis. This additional scrutiny has included, among other things, increased

registration, oversight, and regulation of alternative asset management firms and disclosure concerning these firms and the vehicles they sponsor or advise, which could impact LGA's management of the Fund. Such oversight and regulation may cause the Fund to incur additional expenses, may divert the attention of LGA and its personnel and may result in fines if the Fund is deemed to have violated any regulations. Regulation generally, and regulation more specifically addressed to the alternative asset management industry, including tax laws and regulation, could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating the Fund. Additional regulation could also increase the risk of 3rd party litigation. The transactional nature of the business of the Fund exposes the Fund, LGA and certain related parties generally to the risks of 3rd party litigation. Under the Governing Documents, the Fund will generally be responsible for indemnifying their General Partner or Managing Member, as applicable, LGA and certain related parties for losses or obligations they may incur concerning such litigation.

- **Changes in Law:** The Fund is subject to laws and regulations in a variety of jurisdictions, including on a state or local level. These laws and regulations, as well as their interpretation, may change from time to time. Accordingly, any change in these laws or regulations, or their interpretation or any failure by LGA or its affiliates to comply with these laws or regulations may adversely affect the Fund. Also, the present tax treatment of an investment in the Fund may be modified by legislative, judicial or administrative action at any time, and any such action may affect investments and commitments previously made. The rules dealing with taxation are constantly under review by persons involved in the legislative, administrative and judicial process, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in the tax laws could adversely affect the Fund's tax consequences or the tax consequences of an investment in the Fund.

It is impossible to predict the degree of profitability if any, that may be achieved from the investment strategies described above. In particular, LGA's investment practices may, in some circumstances, increase any adverse impact to which an investment portfolio may be subject. LGA endeavors to commit resources among the various investments and strategies consistent with the philosophy and process articulated above and in response to changing market conditions and opportunities. The preceding discussion includes and is based upon assumptions and opinions of LGA concerning world financial markets and other matters, the accuracy of which cannot be assured. The description set forth above is general and is not intended to be exhaustive. Investment risks are substantial, and investors could realize losses rather than gains from some or all the investments described herein. Investing in securities involves a risk of loss that clients should be prepared to bear.

Item 9: Disciplinary Information

Registered investment advisers such as LGA are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's prospective client's evaluation of LGA or the integrity of its management. LGA does not have any such legal or disciplinary events in its history and therefore has no information to disclose concerning this Item. LotusGroup Advisors, and its Investment Advisor Representatives possess a clean legal and disciplinary record (i.e., no criminal or civil actions, no administrative proceedings before the SEC or any state regulatory agency, or proceedings before a self-regulatory organization). There may be items contained on www.brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider when evaluating your advisor's background.

Item 10: Other Financial Industry Activities & Affiliations

LotusGroup Advisors uses third-party party resources to help run its business and provide services to Clients, the majority of which are back-office related. The major two third-party resources used are Envestnet Tamarac ("Tamarac"), and Noon Dalton. Tamarac provides daily custodial data downloading and reconciliation services on client accounts. Noon Dalton provides paperwork processing services, internal quality checks and internal report generation to the Firm.

While LotusGroup Advisors has developed a network of professionals to help support client needs (e.g., accountants, lawyers, and insurance businesses), LotusGroup Advisors and its advisors never receive any compensation in return for

such referrals. In doing so, LotusGroup Advisors sources these professionals with a focus on finding the highest value-add, lowest cost providers to service its clients, acting in a client's best interest with fiduciary responsibility.

LotusGroup Advisors is under common-control with LotusGroup Capital, LLC also referred to as, 'LGC'. The new entity, LGC, was registered with the SEC in October 2018. These two entities while similarly controlled, are different with respect to clients and investment strategy. LotusGroup Capital, is the General Partner of LotusGroup Longevity Fund, LLC; a life-settlements fund.

For more information about LotusGroup Capital, LLC, please visit the SEC's website at www.adviserinfo.sec.gov.

*(Click on the link, select "Investment Advisor Firm," and type in the firm name.
Results will provide you both Part 1 and 2 of the firm's Form ADV.)*

Item 11: Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), LGA has adopted a written code of ethics ("Code of Ethics"), which is designed to address and avoid potential conflicts of interest and applies to all Covered Persons. The Code of Ethics may also be applied to any other person designated by the Chief Compliance Officer of LGA (the "CCO").

A summary of the Code of Ethics is provided below. A full copy of the Code of Ethics will be made available to investors in each Fund, upon written request.

LotusGroup Advisors has a comprehensive, 14-page Policies, Procedures & Code of Ethics document that is signed by all Covered Persons (employees) and is tracked quarterly by the Firm's CCO. For each of the following topics, LotusGroup Advisors' Code of Ethics spells out the policy, the purpose, and the procedure for daily implementation:

- Material, Non-Public Information & Insider Trading
- Disaster Recovery, Contingency Planning & Internal Controls
- Privacy Policy
- Valuation of Securities in Client's Accounts
- Portfolio Management & Records Management Processes
- Personal Securities Trading
- Trading – Best Execution
- Proxy Voting
- Senior Advisor Responsibilities
- Selection & Supervision of Solicitors
- Code of Ethics

If LotusGroup Advisors makes a profit and a gain from a trading error, the handling of such credits in the Error Account shall be distributed to the non-profit organization, Minds Matter of Denver. Address: PO Box 48162, Denver, CO 80204. Tax ID: 20-1449487.

The LotusGroup Advisors Investment Team currently consists of Raphael A. Martorello, Stephanie L. Schlemeyer, and Louis C. Frank. Mr. Martorello actively makes investments/trades in securities on behalf of his portfolios, which may be like those made on behalf of LotusGroup Advisors clients. The Investment Team believes in their approach and, thus, employs those same strategies in their investments, slotting most of their public investments into the appropriate client category and risk profile as described in 'Item 4' earlier in this document. All rules are followed for client portfolios as well as Mr. Martorello's portfolio to mitigate the conflict of interest of Mr. Martorello benefiting from combining his trade(s) in some unfair way with client trades. All capable orders are grouped into block trades along with clients to receive the same execution price, except independent orders made during our weekly rebalancing. When clients are

rebalanced weekly, they are completed in alphabetical order of the last name, which neither intentionally benefits or harms any particular client, as it is impossible ahead of time to predict whether a purchase or sale decision will improve or worsen over the course of the time it takes to fulfill all the client rebalances on any given day.

Occasionally, Mr. Martorello takes small personal positions in more risky investments such as individual micro-cap stocks, options, and private investment opportunities (e.g., real estate projects, oil exploration interests, etc.), which tend to be inappropriate for client portfolios or investment objectives. Additionally, Mr. Martorello periodically tests new trading strategies with small amounts of money in his accounts, to understand the real-life impact of new investment or trading models. These early-stage research activities are inappropriate for LotusGroup Advisors clients and are limited to Mr. Martorello's account. As new strategies are validated, they may be incorporated into client portfolios if deemed appropriate for helping to achieve their personal investment objectives.

Client trades and interests are always placed ahead of those of Mr. Martorello, and we never commingle a client sell with a personal buy and vice versa. Additionally, a preferred Broker/Custodian is utilized with each client, and this party has the responsibility for the effective execution of trades placed. Further details of how we mitigate conflicts of interest in personal investing/trading can be found in our comprehensive Policies, Procedures, and Code of Ethics document described earlier in this section (specifically within our policies on Personal Securities Trading, and Trading - Best Execution).

On a quarterly basis, LGA's Chief Compliance Officer ("CCO"), performs an Access Person Trading Review by reviewing every trade made by the firm, and is evaluated against everyone on the LGA investment team and all IAR's of the firm, to ensure full compliance with trading policies and procedures, and that no conflicts have occurred. The LGA process is to alert our Chief Compliance Officer if a conflict occurred immediately, who is responsible for dealing with such situations. To date, there have never been any conflicts uncovered in LGA's entire history of existence.

Item 12: Brokerage Practices

LotusGroup Advisors suggests that clients use a LotusGroup Advisors-preferred Broker-Dealer for maintaining funds under management with LotusGroup Advisors. Both retirement and non-retirement accounts are set up and maintained for customers with the Broker-Dealer. LotusGroup Advisors strives to maintain consistent trading, reporting, and investment operation that is facilitated through the usage of a single Broker-Dealer.

The preferred Broker-Dealer was selected using the following criteria:

- Competitive trading commissions costs,
- Customer service levels,
- Reporting tools, including cost basis and 1099 reports facilitating tax management strategies,
- Personal money management tools
 - Electronic fund transfer capabilities
 - Dividend reinvestment programs
 - Electronic communication delivery capabilities
- Financial stability to ensure individual accounts, including primary and backup account insurance.

In addition to the above criteria, the preferred Broker-Dealer provides additional products and services, as well as payment support for investment research. This is known as paying for those services or products with "soft dollars" or credits. Because these products and services provide a benefit to the firm, and because the "soft dollars" used to acquire them are generated from client's transactions fees, the firm has a conflict of interest in allocating client brokerage business: it receives valuable benefits from the broker or dealer to execute client transactions, and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate.

There are only 3-4 possible custodians that meet LGA's sourcing criteria for providing a strong and satisfactory custodial platform for LGA clients. All these custodians / broker-dealers offer similar soft dollar programs, leveling the playing

field, and as such, LGA mitigates the conflict of interest by not considering this factor in our selection of an appropriate custodian/broker-dealer. Also, the firm could have an incentive to cause clients to engage in more securities transactions that would otherwise be optimal to generate brokerage compensation with which to acquire products and services. LotusGroup Advisors eliminates this conflict by having a quantitative investment process that only creates trades when the investment model signals the appropriateness of the trade, and do not make any extra trades. Furthermore, the Client also receives benefits from the Advisor receiving greater access to advanced research and advanced portfolio management tools that improve the service offered to clients.

LotusGroup Advisors has chosen TD Ameritrade Institutional as its preferred-broker dealer and participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC- registered broker-dealer and FINRA member. TD Ameritrade offers independent investment advisory services which include custody of securities, trade execution, clearance, and settlement of transactions.

There is no direct link between LotusGroup Advisors’ participation in the program and the investment advice it gives to clients, although LotusGroup Advisors receives economic benefits through its participation in the program that is typically not available to TD Ameritrade’s retail investors. The benefits include various trading and portfolio management technologies from our preferred brokerage firm (TD Ameritrade Institutional) and their related third-party technology and service provider partners, without cost or at a discount. These technologies and services facilitate the management of client accounts, trading, compliance, investment research, customer relationship management, and tax reporting. Furthermore, some of the products and services made available by TD Ameritrade may solely benefit LotusGroup Advisors in managing its overall portfolio of client accounts, and not benefit the client. These technologies and services may not be commercially available for retail clients to use and are critical for LotusGroup Advisors to provide the services contracted for with clients.

LotusGroup Advisors receives some benefits from TD Ameritrade through its participation in the program. These benefits received by LotusGroup Advisors from TD Ameritrade do not depend on the number of brokerage transactions directed to TD Ameritrade. Additionally, LotusGroup Advisors always endeavors to put the interests of its clients first, in compliance with its fiduciary duties as a Registered Investment Advisor. However, while no financial compensation is provided, the use of these technologies and services qualifies as the receipt of an economic benefit, and clients should be aware that the receipt of these benefits creates a conflict of interest in influencing the choice of TD Ameritrade for custody and brokerage services. Again, for the 3-4 possible broker-dealer options in the marketplace, they all offer similar technologies and services to an adviser versus a retail investor, leveling the playing field, and not impacting our choice of TD Ameritrade versus another broker-dealer. From LGA’s perspective, these technologies and services represent the minimum that a qualified broker-dealer must bring to the table for the Adviser to service its Clients. As such, we only evaluate other factors in determining which broker-dealer to select as indicated earlier in this section, and we negotiate Client fees despite these broker-dealer offerings.

As referenced above, LotusGroup Advisors use of soft dollars with TD Ameritrade is intended to comply with the Securities Exchange Act of 1934. Section 28(e) provides a “safe harbor” for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable about the value of the brokerage and research services provided. Before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable about the value of all the brokerage and research products and services provided by TD Ameritrade, as compared to its competitors in the marketplace. In making this determination, we typically consider not only the particular transaction, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of overall responsibilities to all our clients. In some cases, the commissions or other transaction fees charged by a broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge. However, these low-cost broker-dealers may not offer an institutional trading platform along with the services provided by TD Ameritrade.

Notwithstanding the above disclosures, LotusGroup Advisors acts with a fiduciary responsibility to its clients as a Registered Investment Advisor. LotusGroup Advisors participates in the TD Ameritrade program, as described above,

with the aim of providing better research decisions, tools, technologies, and services to its clients, oftentimes tools and services that are required to deliver the exceptional value promised and provided to clients, and which are not available to a retail client on their own. As an example, these products or services assist LotusGroup Advisors in managing and administering client accounts not maintained at TD Ameritrade (e.g., 401Ks, 529s, Annuities, etc.) that are often ignored by other investment advisors, to the detriment of full client financial planning. Consequently, these technologies and services are critical for LotusGroup Advisors to provide the services contracted for with clients. Furthermore, despite our required disclosures above, we have evaluated industry-wide brokerage services and fees and believe that TD Ameritrade offers exceptional total value for the commission charged on each transaction relative to the services it provides, as compared to its peers. The soft dollar agreement was also negotiated to include no price increase to LotusGroup Advisor's clients on TD Ameritrade's already competitive transaction fees. Once again, LotusGroup Advisors believes that the client benefits negotiated within the soft-dollar program reflect the leverage gained by LotusGroup Advisors clients acting in concert rather than individually.

For 401K, 403B, 457, and 529 accounts under management, LotusGroup Advisors client accounts remain with their company- or state-sponsored plan (e.g. Fidelity, Franklin, etc.), but the data is incorporated daily into the overall asset allocation model through our portfolio management tool and is also included in the client's quarterly performance report.

LotusGroup Advisors aggregates client orders (purchases or sales of securities) whenever possible to ensure the same pricing and fairness for all clients. The only time we may choose to not aggregate orders is if we have a full rebalance to complete for a client that includes a trade that all other clients are participating in as well. For example, if we are buying security x for all clients, and at the same time a new client starts on the same day that requires all securities to be purchased, we may choose to use our portfolio management system to create all the required trades for this new client separately from the block trade for all our other clients. However, as soon as this new client is balanced and, in the system, all new client orders going forward will have this client aggregated with others in block trades.

Item 13: Review of Accounts

LotusGroup Advisor's investment team conducts quarterly or semi-annual reviews for major asset allocation changes (described in Item 8). Intra-quarter, the investment team reviews accounts on a weekly or monthly schedule for rebalancing purposes. The frequency of reviews is dictated by the products in a client's portfolio as well as the average size of each trade. For example, LotusGroup Advisors uses no-transaction-fee mutual funds for smaller clients, since their average trade size is small, and a regular \$7.99 ETF trade would hurt their performance. However, these mutual funds tend to have 30-day holding rules for buying and selling, so LotusGroup Advisors cannot review them more often than monthly. Larger clients use low-cost ETFs and can be reviewed more frequently, so LotusGroup Advisors reviews them on a weekly basis or even daily if the market is highly turbulent and an opportunity arises to take a quick profit or buy back in at a low-cost.

LotusGroup Advisors also tracks the client's positions daily to evaluate if they are getting overheated or are breaking down. LotusGroup Advisors investment team charts all client positions monthly and establishes upside (overheating) and downside (breaking down) price targets. LotusGroup Advisors then downloads data daily to compare the current price to the price targets. As price targets are realized, the LotusGroup Advisors investment team makes decisions on the affected products and decides whether to take action on clients that hold this position.

Investment Review & Portfolio Adjustment Summary

- Quarterly/Semi-Annually - Major Asset Allocation Adjustments
- Weekly/Monthly - Rebalancing
- Monthly - Client Account Review to Confirm Appropriate Client Grouping (Described in Item 4)
- Daily - Individual Position Monitoring for Upside & Downside Price Targets

Our Private Client Advisors offer to conduct a minimum of one formal client review per year, to go over client objectives, results from the previous year and since inception, risk profiles, new considerations for the upcoming year, and any other relevant factors. Also, clients are encouraged to contact our advisors at will, if there are any material items to be discussed before the more formal annual review. Many clients have specific requests of LotusGroup Advisors to

consider, for which our advisors schedule reminders for clients throughout the year (e.g., quarterly gain/loss reports for business owners, savings reminders, etc.). Finally, some clients request specific analysis from our advisors to help them with financial planning, goal-tracking, scenario analysis, college savings, diversification, insurance reviews, private investment opinions, etc. These requests are handled ad-hoc, and often are then put into a calendar to track on an ongoing basis (e.g., the client agrees to sit down bi-annually to review savings plan and goal-tracker with our advisor). Where possible, our advisors are proactive with identifying when a client will have a particular need (e.g., when a client family has a first child, it triggers a request from our advisor to discuss financial planning, goal-tracking, college savings, and term life insurance considerations). There is no additional charge for these client reviews and analysis, as they are considered part of providing exceptional service to the client.

Clients receive the following reports:

- LotusGroup Advisors preferred broker-dealer TD Ameritrade provides monthly account statements, trade confirmations, investor notifications, and year-end tax reports
- LotusGroup Advisors provides quarterly performance reports with since-inception, quarter-to-date and year-to-date statistics (all reported net of fees). These reports are generated automatically from our Portfolio Management System.
- LotusGroup Advisors provides clients with newsletters in the form of a blog post every 45 days

Item 14: Client Referrals & Other Compensation

LotusGroup Advisors restricts the practice of kickbacks or payment from third-parties to LotusGroup Advisors for utilization of their investment products or advice with clients. While others may practice this endeavor, we believe it creates an insurmountable conflict of interest in providing advice and service to clients. LotusGroup Advisors does not accept compensation for using a 3rd party investment product with our clients and are proud to remain 100% independent and aligned with our client's best interest, consistently searching for the best investments at the lowest costs.

LotusGroup Advisors has engaged in a Solicitor's Agreement with Solicitors to pay fees for client referrals. Solicitors serve as a consultant and independent contractor and not as an employee of LotusGroup Advisors. Solicitors solicit and refer as clients to LotusGroup Advisors those individuals or entities which are suitable and appropriate for the investment advisory services provided by LotusGroup Advisors.

Solicitor does not have any authority to accept any client(s) on behalf of LotusGroup Advisors, and LotusGroup Advisors does not have any responsibility to accept any prospective client referred by Solicitor. The solicitation services may also include impersonal advisory services which includes: (i) written materials or oral statements which do not purport to meet the objectives or needs of the specific client, (ii) statistical information containing no expressions of opinions as to the investment merits of particular securities, and (iii) periodic contact, if requested or appropriate, to assist the Solicited Client in understanding the advisory services of LotusGroup Advisors and/or obtaining or updating client information on behalf of LotusGroup Advisors. Any specific client advice will be delivered to Solicited Client by LotusGroup Advisors, and any formal financial planning for Solicited Client shall be delivered by LotusGroup Advisors.

Solicitor Payout comes out of Client Fee, it is not in addition to Client Fee, and as such clients do not pay a higher fee than if they had contracted directly with LotusGroup Advisors. Solicitor payouts range from 0 – 30% of collected client fees.

Item 15: Custody

LotusGroup does not accept or permit the firm or its Associates to obtain custody of client assets including cash, securities, acting as trustee, provide bill paying service, to have password access to client accounts to control Account activity, or to have any other form of client asset control.

The Adviser will not take title to any assets or have the authority to withdraw funds from the client's Accounts, except to cover payment of the agreed to "Advisory Management Fees" specified within the client's Advisory Services Agreement, or at the client's specific and written direction. All checks or wire transfer to fund client Accounts must be

made out to/sent to the client's Custodian.

Regardless of the above, under federal regulations, LotusGroup Advisors is deemed to have custody of client assets if a client authorizes the Adviser to instruct the Custodian to deduct the Adviser's Advisory Fees directly from their Account. Concerning such transactions, LotusGroup observes following points noted in the SEC's No-Action Letter of February 21, 2017, for any Advisory Fee debited directly from a client's Custodial Account.

For client Accounts in which LotusGroup directly debits Advisory Fees:

1. The client will provide written instruction to their Custodian, that includes the client's signature, LotusGroup's name, and either the Adviser's address or their account number at the Custodian to which the transfer should be directed.
2. The client will authorize their Custodian, in writing, to direct transfers to LotusGroup, either on a specified schedule or from time to time.
3. The Custodian will perform 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 terminate or change the instruction to their Custodian at any time.
5. LotusGroup has no authority or ability to designate or change the identity of the client's instruction.
6. LotusGroup will maintain records showing they are not a related party of the client's Custodian.
7. The Custodian will be asked to, and will we responsible for sending the client, in writing, an initial notice confirming the above instruction and an annual notice reconfirming the instruction.

The Custodian will maintain actual custody of the client's assets. The client will provide the above written limited authorization instructions directly to their Custodian and will request the Custodian provide a "transfer of funds" notice to them at their address of record after each Advisory Fee payment transfer occurs. The client will provide these instructions either on the qualified Custodian's form or separately.

Clients will receive account statements directly from the Custodian to the email, or postal mailing address of record which the client provided to the Custodian. And, will receive at least quarterly statements from their Custodian reflecting all disbursements for the account, including the amounts of any assessed advisory fees. Clients should review statements provided by their Custodian promptly upon receipt. LotusGroup urges clients to compare the statements they receive directly from their Custodian with the information outlined in any reports or periodic portfolio statements received from the Adviser, to ensure the accuracy of all account transactions. The reports received from LotusGroup may vary from Custodial statements based on Accounting procedures, reporting dates, or valuation methodologies of certain securities. LotusGroup encourages our clients to promptly raise any questions with us about the custody, safety, or security of their assets.

As per an SEC Q&A guidance issued on May 20, 2010, and the Colorado Division of Securities Rule 51- 4.10(IA).A.1, LotusGroup Advisors does not have custody of non-TD Ameritrade accounts (e.g, 401Ks, 529s, 403Bs, annuities) because a) fees are not directly deducted from these accounts, b) it has not inadvertently received physical securities, c) there are no employees who serve as trustee to a client, d) we cannot withdraw funds or securities based on advisor's instructions and e) we cannot transfer funds or securities into an un-like named account or unqualified custodian. As with TD Ameritrade accounts, we encourage clients to compare monthly/quarterly statements from the broker-dealers on these accounts to LotusGroup Advisors quarterly reports, ensuring accurate account balance, beneficiary, and address information. LotusGroup Advisors also undergoes a surprise audit from a certified 3rd party for these "held-away" accounts.

LotusGroup Advisors accepts 3rd party checks from TD Ameritrade client accounts only when prior written approval is received from the client by TD Ameritrade. Any 3rd party checks received by LotusGroup Advisors are logged appropriately and sent to the 3rd party within 24 hours of receiving checks.

Item 16: Investment Discretion

LotusGroup Advisor's clients sign a full trading authorization agreement through the preferred Broker/Dealer.

LotusGroup Advisor's clients also sign a limited power of attorney for 401K, 403B, 457, and 529 accounts that are held at an alternative broker chosen by their plan sponsor. LotusGroup Advisors has the discretion to select, buy, sell, and determine the quantities of the individual positions for each client account. LotusGroup Advisors is only required to maintain or solicit the consent of customers for trades made on positions that were specifically discussed during the introductory interview (e.g., inherited stock that the client would like to hold on to for sentimental reasons, etc.).

If a client objects to any investment decision, he/she may discuss this with LotusGroup Advisors and a mutually agreed upon decision will be made and documented if necessary. It is always preferred that the client and LotusGroup Advisors engage in a discussion to resolve any potential differences in opinion. However, if the client repeatedly acts in a manner inconsistent with the mutually agreed upon investment objectives, LotusGroup Advisors reserves the right to cancel the customer agreement after providing written counsel to the customer. Similarly, the customer reserves the right to cancel their contract with LotusGroup Advisors at any time if they so desire. As it pertains to our private investment program, clients have full discretion to make their choices of which investments to participate in or not.

Item 17: Voting Client Securities

LotusGroup Advisors does not participate in proxy voting regularly, and where required, chooses to vote along with board decisions of the underlying security. Clients have the option in their new account setup forms with TD Ameritrade to determine whether they would like LotusGroup Advisors to vote proxies on their behalf or not. LotusGroup Advisors uses a tactical asset allocation model that trades frequently and typically invests greater than 90% of assets in ETFs or mutual funds (less than 10% in individual securities). As such, it is a very rare occasion when a material item arises on a proxy for which LotusGroup Advisors continues to hold the investment position for the client.

Consequently, LotusGroup Advisors rarely ever votes proxies, instead focusing on asset selection and allocation amounts on an ongoing basis. If LotusGroup Advisors strongly disagrees with the management of a certain investment, LotusGroup Advisors more often than not sells the position rather than sticking around and voting the proxy. On the rare occasion where LotusGroup Advisors is solicited through a phone conversation by a voting proxy company, LotusGroup Advisors tends to either abstain or vote along with the board of directors. Again, LotusGroup Advisors decides to sell as the tool of choice if there is disagreement with the fund or management decisions/operations.

If a client requests a track record for proxy voting, LotusGroup Advisors is happy to provide them with our policy and procedures and provide them with their record as needed. However (again), LotusGroup Advisors has rarely voted proxies, and where LotusGroup Advisors does, LotusGroup Advisors has always voted along with the board. This eliminates conflicts of interest in our decision-making process. If a client is solicited for their proxy vote, they can direct their vote as per the request of the solicitor and directly to the party indicated by the solicitor.

Item 18: Financial Information

Since inception in early 2007, LotusGroup Advisors has been, and continues to be on, solid financial grounds, and has no current condition that would impair our abilities to meet commitments to clients. LotusGroup Advisors is 100% self-funded with no debts or outside funding. A balance sheet is not required to be provided as LGA (i) does not solicit fees more than six months in advance; (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients; and (iii) has not been subject to any bankruptcy proceeding during the past 10 years.

No member of management, an officer or a principal of the Adviser has been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2,500 in an activity involving investment or investment-related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices. Further, no member of management, an officer or a principal of the Adviser has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment-related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.

Item 19: Requirements for State-Registered Advisers

LGA is a federally registered investment advisory firm.

Privacy Policy

LotusGroup Advisors, LLC. (LGA) will ensure the privacy of clients, to ensure the safeguarding of our customer's non-public personal information. We collect non-public personal information about clients for business purposes from the following sources:

- Investment Advisory Agreement and New Account Information Form, which may include their name, address social security number, income information, net worth, asset statement, tax circumstances and information about their investment goals and risk tolerance.
- Account History, including information regarding the client's account transactions, which may include the parties to a transaction, the positions held or sold, and pricing.
- Correspondence, including written, telephonic, or electronic between clients, LGA and any service providers for client's accounts.

We do not disclose any nonpublic personal information about clients to non-affiliated third parties, except to service providers and as otherwise permitted by law. We do not sell any personal information about clients to any third-party. In the normal course of business, personal information we collect about clients as described above may be shared with financial service providers who provide services on behalf of our client's accounts (such as brokerage firms, custodians, executing brokers, portfolio management software providers, or other client advisors). We may disclose all the information we collect about clients to non-affiliated third-party service providers as necessary to achieve the following:

- To effect, administer or enforce a transaction that a client requests or authorizes,
- In connection with processing or servicing a financial product or service that a client requests,
- In connection with maintaining or servicing a client's account with the third-party. (For example, information may be disclosed to others to enable them to perform general administrative activities for us, to assist us in processing a transaction authorized or requested by a client, or to execute transactions on a client's behalf in conjunction with our Customer Agreement.),
- As required by a regulatory authority or law enforcement agency,
- For resolving customer disputes or inquiries,
- To persons holding a legal or beneficial interest relating to the customer,
- To our attorneys, accountants, or auditors as deemed necessary,
- In connection with a proposed or actual sale or merger of our firm, and
- To comply with a civil, criminal, or regulatory investigation by federal, state, or local authorities.

We employ reasonable precautions to safeguard the security of private customer information, including physical, technical, and personnel measures. As it pertains to our website only (not offline information collected):

- We collect information from visitors (customers and consumers) when they subscribe to our newsletter or fill out a form,
- Any of the information we collect is used to send periodic emails originating from LotusGroup advisors,
- we do not sell, trade, or otherwise share collected information with any unaffiliated third parties unless they are included in Item 3 above,
- If at any time customers or consumers would like to unsubscribe from receiving future emails, we include detailed unsubscribe instructions at the bottom of each email,
- We implement a variety of security measures to maintain the safety of personal information,
- We do not use cookies,
- Occasionally, at our discretion, we may include or offer third-party products or services on our website. These third-party sites have separate and independent privacy policies,

- We comply with California’s Online Privacy Protection Act and will not distribute personal information to outside parties without the client’s consent,
- We comply with the requirements of COPPA (Children’s Online Privacy Protection Act), we do not collect information from anyone under 13 years of age on our website,
- By using our website, LGA visitors consent to our website Privacy Policy, and
- If we change our Privacy Policy, we post those changes as well as the date of such changes.

Business Continuity Plan

LotusGroup Advisors has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers human-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, a chemical event, biological event, T-1-communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternative Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. LotusGroup Advisors intends to contact all clients within five (5) days of a disaster that dictates moving our office to an alternate location.

Summary of Business Continuity Plan

A summary of the business continuity plan is available upon request to the Firm’s Chief Compliance Officer.

Information Security Program

LotusGroup Advisors maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Form ADV Part 2B Brochure Supplement - Raphael A. Martorello



Investment Advisor Representative:

RAPHAEL A. MARTORELLO

(Individual CRD # 4768833)

299 Milwaukee Street, Suite 201

Denver, CO 80206

Email: info@lgadvisors.com

Website: www.lgadvisors.com

Phone: 415.793.8041

Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain the Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Raphael A. Martorello is available on the SEC's website at www.adviserinfo.sec.gov.

(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

RAPHAEL A. MARTORELLO

Date of Birth & Educational Background

Raphael A. Martorello was born in 1974. He received his bachelor's degree in Mechanical Engineering and minor in Economics from The University of Virginia in 1997. Mr. Martorello has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- 01/2007 to Present **LotusGroup Advisors, LLC**, Denver, CO
Principal, Owner, Managing Partner & Investment Advisor Representative
- Manages the LGA Management Team & is Portfolio Manager of the LGA IncomePlus Fund
 - Sources & invests in private placement opportunities
- 09/2018 to Present LotusGroup **Capital, LLC**, Denver, CO
Principal, Owner, Managing Member & Investment Advisor Representative
- Manages the LGC team, & is a Co-Portfolio Manager of the LotusGroup Longevity Fund, LLC
 - Sources & invests in private placement opportunities
- 03/2004 to Present **Martorello Money Management**, Denver, CO
Partner, Advisor & Investment Advisor Representative
- Commercial Investment Experience
 - Total Investment Experience & Systems Development
 - Client Service Experience
 - Operations Experience
 - Management Experience
- 03/2000 to 03/2006 **ICG Commerce**, King of Prussia, PA
Director
- Practice Responsibility (All-West Coast Clients)
 - Management Oversight (20 Employees)
 - Business Process Outsourcing
- 08/1997 to 04/2000 **A.T. Kearney**, New York, NY
Associate
- Management & Business Consulting

Professional Designations, Licensing & Exams

Raphael A. Martorello does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Raphael A. Martorello providing advice to you. Mr. Martorello does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

Other Business Activities

Raphael A. Martorello is a Principal, Owner, Managing Partner and an Investment Advisor Representative of LotusGroup Advisors. He dedicates 50% of his time to this activity during trading hours. Outside of his activities at LotusGroup Advisors, Mr. Martorello also participates in the following investment-related, other business activities:

Name of Outside Business or Organization: LotusGroup Capital, Inc.

Address: 299 Milwaukee Street, Suite 201, Denver, CO 80206

Title: Principal, Owner, Managing Partner & Investment Advisor Representative

Description of Outside Business or Organization: Affiliated registered Investment Advisory firm

Description of Duties or Responsibilities: Providing management & investment strategy to leverage research provided to LotusGroup Advisors, LLC and Martorello Holdings, LLC

Start Date: 11/2018

Hours Devoted to OBA Monthly: 50% during trading hrs./50% during non-trading hrs.

Name of Outside Business or Organization: Martorello Holdings, LLC

Address: 1043 S. Vine Street, Denver, CO 80209

Title: Member

Description of Outside Business or Organization: Holding company for commercial real estate investment, developing the new HQ office for LotusGroup Advisors & LotusGroup Capital, in Denver, CO

Description of Duties or Responsibilities: Establishing financing & interact with the Project Manager, as needed

Start Date: 01/2018

Hours Devoted to OBA Monthly: 0 during trading hrs./1 hour weekly during non-trading hrs.

Name of Outside Business or Organization: Thrive Workplace at LoDo, LLC/Thrive Workplace Holdings

Address: 201 Milwaukee Street, Suite 200, Denver, CO, 80206

Title: Member, Board of Directors & L.P. Investor

Description of Outside Business or Organization: Co-working Business

Description of Duties or Responsibilities: Conducting quarterly meetings to review progress & providing advice

Start Date: 12/2013

Hours Devoted to OBA Monthly: 0 during trading hrs./2 hours quarterly, during non-trading hrs.

Name of Outside Business or Organization: Martorello Money Management

Address: 299 Milwaukee Street, Suite 201, Denver, CO 80206

Title: Partner

Description of Outside Business or Organization: Before 2016, this was an independent Registered Investment Advisor. On 1/2016, this organization transitioned all clients into LotusGroup Advisors as part of a business merger. Through the buy-sell transaction, this business was required to de-register as an RIA but to stay open for flow of funds on a financial consulting base, to pay Raphael A. Martorello's fixed salary & for the business to provide funding back to LotusGroup Advisors for benefits reimbursements.

Description of Duties or Responsibilities: Predominantly administrative within the business, but also paid to be the Managing Partner of LotusGroup Advisors as a contractor through this business.

Start Date: 04/2004

Hours Devoted to OBA Monthly: 0 during trading hrs./1 hour per week during non-trading hrs. (All hours counted at LotusGroup Advisors are technically Martorello Money Management hours since Mr. Martorello's salary is paid as a contractor through Martorello Money Management).

The outside business activities of Mr. Martorello do not give him any incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest and can provide an incentive for him to recommend products based on the compensation received, rather than on the client's needs.

LotusGroup Advisors addresses this conflict of interest by requiring him to disclose such relationships to clients. Mr. Martorello satisfies this requirement by advising clients of the nature of transactions or relationships, his role and any compensation so received by him, at the time of relationship inception. Mr. Martorello acts in the best interest of clients, always, and clients are in no way required to utilize the services of an Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

Additional Compensation

Raphael Martorello passively invests in other private businesses, including golf courses, oil exploration, real estate, and private offerings that LGA sources on behalf of clients. Mr. Martorello does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Mr. Martorello directly supervises all LotusGroup Management Team and collaborates on trades and investment decision activity with Ms. Schlemeyer.

Raphael A. Martorello is self-supervised as it pertains to client service, investment strategy development, and execution. He is audited by the Firm's CCO every quarter through LotusGroup's "Access Person Review" to ensure all personal trades have not benefited at the expense of client trades.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Raphael A. Martorello has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

B. Raphael A. Martorello has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Andleib “Andy” Seth



Investment Advisor Representative:

ANDLEIB “ANDY” SETH

(CRD #5296525)

299 Milwaukee Street, Suite 201

Denver, CO 80206

Email: info@lgadvisors.com

Website: www.lgadvisors.com

Work Phone: 720.325.2423

Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Andleib Seth is available on the SEC’s website at www.adviserinfo.sec.gov.

(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

ANDLEIB “ANDY” SETH

Date of Birth & Educational Background

Andleib “Any” Seth was born in 1978. He received his B.A. Economics and B.A in Spanish from Boston College in 2000. Mr. Seth has fulfilled LotusGroup Advisor’s requirement that its Investment Advisor Representatives hold either a bachelor’s degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- | | |
|--------------------|---|
| 01/2007 to Present | LotusGroup Advisors, LLC , Denver, CO Silent Partner & Investment Advisor Representative |
| 07/2001 to Present | ICG Commerce , King of Prussia, PA Manager <ul style="list-style-type: none">- Client responsibility for U.S. & foreign clients- Management oversight for 20+ employees- Business Process Outsourcing |
| 09/2000 to 06/2001 | Accenture , Denver, CO Consultant <ul style="list-style-type: none">- Management/Business Consultant |

Professional Designations, Licensing & Exams

Andy Seth does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Andy Seth providing advice to you. Mr. Seth does not have a disciplinary history to disclose, which may be material to a client’s or prospective client’s evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative’s background.

Other Business Activities

Mr. Seth is a silent partner and an Investment Advisor Representative of LotusGroup Advisors, who dedicates 75% of his time to this activity during trading hours. He has the other business activity to disclose:

Name of Outside Business or Organization: IGC Commerce

Address: 211 S. Gulph Road, King of Prussia, PA 19406

Title: Manager

Description of Outside Business or Organization: IGC provides procurement consulting services to other businesses.

Description of Duties or Responsibilities: implementing & sometimes selling services to business clients.

Start Date: 01/2001

Hours Devoted to OBA Monthly: 25% during trading hrs./25% during non-trading hrs.

Additional Compensation

Mr. Seth does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Andy Seth is a silent partner at LotusGroup without any day-to-day responsibilities; he does not trade or make investment decisions. Mr. Seth is directly supervised by Raphael A. Martorello (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

- A. Andy Seth has not been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Andy Seth has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Douglas E. Reese



Investment Advisor Representative:

DOUGLAS E. REESE

(CRD #1678299)

299 Milwaukee Street, Suite 201

Denver, CO 80206

Email: info@lgadvisors.com

Website: www.lgadvisors.com

Phone: 303.601.7921

Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Douglas E. Reese is available on the SEC's website at www.adviserinfo.sec.gov.

(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

DOUGLAS E. REESE

Date of Birth & Educational Background

Douglas E. Reese was born in 1963. He received his BS Finance and MBA Finance/Investments from Western Illinois University in 1985. Mr. Reese has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

| | |
|--------------------|--|
| 10/2017 to Present | LotusGroup Advisors, LLC , Denver, CO Private Client Advisor & Investment Advisor Representative |
| 04/1991 to Present | Wealth Associates, Inc. , Highlands Ranch, CO President |

Professional Designations, Licensing & Exams

Douglas E. Reese does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Douglas E. Reese providing advice to you. Mr. Reese does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

Other Business Activities

Douglas E. Reese is a Private Client Advisor who provides advice directly to clients; he does not trade or make investment decisions. Mr. Reese dedicates 100% of his time to this activity during trading hours. Outside of his activities at LotusGroup, Mr. Reese has the following other business activities to disclose:

Name of Outside Business or Organization: Self-employed

Address: Private Residence (N/A)

Title: Business Consultant

Description of Outside Business or Organization: Advising on cash flow forecasting & monitoring.

Description of Duties or Responsibilities: Advising on cash flow forecasting & monitoring (no commissions are received from this business activity).

Start Date: 04/1991

Hours Devoted to OBA Monthly: 0% during trading hrs./10% during non-trading hrs.

The outside business activities of Mr. Reese do not give him any incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest and can provide an incentive for him to recommend products based on the compensation received, rather than on the client's needs. LotusGroup Advisors addresses this conflict of interest by requiring him to disclose such relationships to clients. Mr. Reese satisfies this requirement by advising clients of the nature of transactions or relationships, his role and any compensation so received by him, at the time of relationship inception. Mr. Reese acts in the best interest of clients, always, and clients are in no way required to utilize the services of an Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

Additional Compensation

Mr. Reese does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Douglas E. Reese is directly supervised by Nicholas S. Pirnack (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

- A. Douglas E. Reese has not been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Douglas E. Reese has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Nicholas S. Pirnack



Investment Advisor Representative:

NICHOLAS S. PIRNACK

(Individual CRD #5717464)
299 Milwaukee Street, Suite 201
Denver, CO 80206
Email: info@lgadvisors.com
Website: www.lgadvisors.com
Phone: 720.325.2327
Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Nicholas S. Pirnack is available on the SEC's website at www.adviserinfo.sec.gov.
(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

NICHOLAS S. PIRNACK

Date of Birth & Educational Background

Nicholas S. Pirnack was born in 1985. He received his B.A. Economics/Minor in Business from Colorado State University in 2009. Mr. Pirnack has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- 10/2011 to Present **LotusGroup Advisors, LLC**, Denver, CO
Partner, Senior Advisor & Investment Advisor Representative
- 9 years of total client management experience, 7 at LotusGroup Advisors
 - Current oversight of one additional Advisor for the firm
- 08/2009 to 10/2011 **Intersecurities**, Fort Collins, CO
Investment Advisor Representative
- Client relationship management
 - Oversight of 2 advisors
- 04/2009 to 10/2011 **CORE Financial/Transamerica**, Fort Collins, CO
Financial Advisor & Insurance Agent

Professional Designations, Licensing & Exams

Nicholas S. Pirnack does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Nicholas S. Pirnack providing advice to you. Mr. Pirnack does not have disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

Other Business Activities

Nicholas S. Pirnack is a Senior Advisor and Investment Advisor Representative who provides advice directly to clients; he does not trade or make investment decisions. Mr. Pirnack dedicates 100% of his time to this activity during trading hours. He has no other investment-related, other business activities to disclose.

Additional Compensation

Mr. Pirnack does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Mr. Pirnack is directly supervised by Raphael A. Martorello (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates thereto). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in

each client's best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Nicholas S. Pirnack has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- a) an investment or an investment-related business or activity;
- b) fraud, false statement(s), or omissions;
- c) theft, embezzlement, or other wrongful taking of property;
- d) bribery, forgery, counterfeiting, or extortion; or
- e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a) an investment or an investment-related business or activity;
- b) fraud, false statement(s), or omissions;
- c) theft, embezzlement, or other wrongful taking of property;
- d) bribery, forgery, counterfeiting, or extortion; or
- e) dishonest, unfair, or unethical practices.

B. Nicholas S. Pirnack has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Stephanie L. Schlemeyer



Investment Advisor Representative:

STEPHANIE L. SCHLEMEYER

(CRD #5795426)

299 Milwaukee Street, Suite 201

Denver, CO 80206

Email: info@lgadvisors.com

Website: www.lgadvisors.com

Phone: 720.897.8553

Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Stephanie L. Schlemeyer is available on the SEC’s website at www.adviserinfo.sec.gov.

(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

STEPHANIE L. SCHLEMEYER

Date of Birth & Educational Background

Stephanie L. Schlemeyer was born in 1989. She received her B.A. Mathematics from Messiah College in 2011. Ms. Schlemeyer has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- 01/2018 to Present **LotusGroup Advisors, LLC**, Denver, CO
Partner, Product Manager & Investment Advisor Representative
- Manage product toolset such as portfolio management system & reporting
 - Strategy development & management for public investment models
 - Public market research
 - Investment Committee Member on LGA IncomePlus Fund
- 02/2014 to 12/2018 **LotusGroup Advisors, LLC**, Denver, CO
Senior Analyst, Portfolio Manager & Investment Advisor Representative
- Manage investment models
 - Execute LotusGroup Advisors portfolio strategies
 - Conduct & assist with primary research on new public investment opportunities & strategies
 - Investment Advisor Representative
- 08/2011 to 01/2014 **University of Colorado**, Denver, CO
Data Manager
- Perform quality assurance tests on the data to maintain the integrity of the data & evaluate the progress of the programs at the individual grantee sites
 - Create & edit existing standard operating procedures
 - Data analysis & report writing for various projects

Professional Designations, Licensing & Exams

Stephanie L. Schlemeyer does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Stephanie L. Schlemeyer providing advice to you. Ms. Schlemeyer does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

Other Business Activities

Stephanie L. Schlemeyer is a Product Manager who leads the selection and implementation of LotusGroup's portfolio management systems, collaborates on investment decisions, and executes trades on behalf of clients as a backup to Louis C. Frank, LotusGroup's Portfolio & Private Partner Manager, when he is unavailable. Ms. Schlemeyer dedicates 100% of her time to this activity during trading hours. Outside of her activities at LotusGroup, Ms. Schlemeyer has no other investment-related, other business activities to disclose.

Additional Compensation

Ms. Schlemeyer does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Stephanie L. Schlemeyer is directly supervised by Raphael A. Martorello (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

- A. Stephanie L. Schlemeyer has not been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Stephanie L. Schlemeyer has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Karsten E. Gucinski



Investment Advisor Representative:

KARSTEN E. GUCINSKI

(CRD# 6520132)

299 Milwaukee Street, Suite 201

Denver, CO 80206

Email: info@lgadvisors.com

Website: www.lgadvisors.com

Phone: 720.285.2235

Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Karsten E. Gucinski is available on the SEC’s website at www.adviserinfo.sec.gov.

(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

KARSTEN E. GUCINSKI

Date of Birth & Educational Background

Karsten E. Gucinski was born in 1992. He received his B.S.B.A. Finance from the University of Denver in 2014. Mr. Gucinski has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- 06/2015 to Present **LotusGroup Advisors, LLC**, Denver, CO
Private Client Advisor & Investment Advisor Representative
- 3 years of total client management experience
- 07/2014 to 05/2015 **Trulia Inc.**, Denver, CO
Account Executive
- Member - Inside Sales Team, Online Advertising
 - Managed a list of 250 prospects

Professional Designations, Licensing & Exams

Karsten E. Gucinski does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Karsten E. Gucinski providing advice to you. Mr. Gucinski does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

Other Business Activities

Karsten E. Gucinski is a Private Client Advisor who provides advice directly to clients; he does not trade or make investment decisions. Mr. Gucinski dedicates 100% of his time to this activity during trading hours. He has no other investment-related, or other business activities to disclose.

Additional Compensation

Mr. Gucinski does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Mr. Gucinski is directly supervised by Nicholas S. Pirnack (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

- A. Karsten E. Gucinski has not been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Karsten E. Gucinski has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Matthew J. Woolbright



Investment Advisor Representative:

MATTHEW J. WOOLBRIGHT

(CRD #6837211)

299 Milwaukee Street, Suite 201

Denver, CO 80206

Email: info@lgadvisors.com

Website: www.lgadvisors.com

Phone: 361.834.6181

Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Matthew J. Woolbright is available on the SEC's website at www.adviserinfo.sec.gov.

(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

MATTHEW J. WOOLBRIGHT

Date of Birth & Educational Background

Matthew J. Woolbright was born in 1990. He received his Bachelor of Science Sociology from Texas A & M University in 2012. Mr. Woolbright has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

| | |
|--------------------|---|
| 09/2017 to Present | LotusGroup Advisors, LLC , Denver, CO Investment Advisor Representative |
| 08/2014 to 10/2017 | Corpus Christi Caller-Times , Corpus Christi, TX Reporter |
| 08/2013 to 08/2014 | Juneau Empire , Juneau, AK Reporter |
| 02/2013 to 07/2013 | Associated Press , York City, NY Reporter |

Professional Designations, Licensing & Exams

Matthew J. Woolbright does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Matthew J. Woolbright providing advice to you. Mr. Woolbright does not have disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

Other Business Activities

Matthew J. Woolbright is a Lead Private Client Advisor who provides advice directly to clients; he does not trade or make investment decisions. Mr. Woolbright dedicates 100% of his time to this activity during trading hours. Outside of his activities at LotusGroup, Mr. Woolbright has the following investment-related, other business activities to disclose:

Name of Outside Business or Organization: Freelance News Writing

Address: N/A

Title: Writer

Description of Outside Business or Organization: Various news publications.

Description of Duties or Responsibilities: Providing freelance news articles to various news services.

Start Date: 02/2013

Hours Devoted to OBA Monthly: 0% during trading hrs./10% during non-trading hrs.

The outside business activities of Mr. Woolbright do not give him any incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest and can provide an incentive for him to recommend products based on the compensation received, rather than on the client's needs. LotusGroup Advisors addresses this conflict of interest by requiring him to disclose such relationships to clients. Mr. Woolbright satisfies this requirement by advising clients of the nature of transactions or relationships, his role and any compensation to received by him, at the time of relationship inception.

Mr. Woolbright acts in the best interest of clients, always, and clients are in no way required to utilize the services of any Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

Additional Compensation

Mr. Woolbright does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Matthew J. Woolbright is directly supervised by Nicholas E. Pirnack, Senior Advisor (T: 720.593.9861).

Covered Persons ("Associates") are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates thereto). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in each client's best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

- A. Matthew J. Woolbright has not been involved in any of the events listed below.
 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Matthew J. Woolbright has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Devonee L. Kershner



Investment Advisor Representative:

DEVONEE L. KERSHNER

(Individual CRD #5740378)
299 Milwaukee Street, Suite 201
Denver, CO 80206
Email: info@lgadvisors.com
Website: www.lgadvisors.com
Phone: 815.541.2409
Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Devonee L. Kershner is available on the SEC’s website at www.adviserinfo.sec.gov.
(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

DEVONEE L. KERSHNER

Date of Birth & Educational Background

Devonee L. Kershner was born in 1985. He received his B.A. Personal Financial Planning from Texas Tech in 2003. Ms. Kershner has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- 01/2019 to Present **LotusGroup Advisers, LLC**, Denver, CO
Lead Private Client Advisor & Investment Advisor Representative
- 10 years of total client management experience
 - Investment Advisor Representative
- 12/2009 to 12/2018 **Lee Financial Company**, Dallas, TX
- Investment Advisor Representative

Professional Designations, Licensing & Exams

Devonee L. Kershner does not have any additional professional designations, licensing or exams to disclose.

Disciplinary Information

LotusGroup Advisors is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Devonee L. Kershner providing advice to you. Ms. Kershner does not have a disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. There may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Investment Advisor Representative's background.

Other Business Activities

Devonee L. Kershner is a Lead Private Client Advisor and Investment Advisor Representative who provides advice directly to clients; she does not trade or make investment decisions. Ms. Kershner dedicates 100% of her time to this activity during trading hours. He has no other investment-related, other business activities to disclose.

Name of Outside Business or Organization: Scout and Cellar Wine

Address: 4531 Simonton Rd., Farmers Branch TX. 75244

Title: Consultant

Description of Outside Business or Organization: Clean crafted wine sold by membership consultants.

Description of Duties or Responsibilities: Independent Consultants host wine parties and explain benefits of clean crafted wines, and collections.

Start Date: 08/2018

Hours Devoted to OBA Monthly: 5 hours a week, roughly 20 hours per month, outside of regular business hours that are devoted to Investment Advisor Representative work.

Additional Compensation

Ms. Kershner does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Advisors.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Ms. Kershner is directly supervised by Nicholas E. Pirnack (T: 720.593.9861), who oversees the advisory activities of all LotusGroup Investment Advisor Representatives.

Covered Persons (“Associates”) are required to abide fully by all applicable federal and state regulations and the firm’s guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to them). LotusGroup Advisors requires all Associates to exercise a fiduciary duty to its clients by acting in each client’s best interest, and by placing client interests first and foremost, *always*. Associates are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm’s expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative’s suitability.

- A. Devonee L. Kershner has not been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Devonee L. Kershner has not been the subject of a bankruptcy petition.

Form ADV Part 2B Brochure Supplement - Louis C. Frank



Investment Advisor Representative:

LOUIS C. FRANK

(CRD #6613018)

299 Milwaukee Street, Suite 201

Denver, CO 80206

Email: info@lgadvisors.com

Website: www.lgadvisors.com

Phone: 720.744.0958

Fax: 815.572.0556

March 5, 2019

In accordance with federal and state regulations, Form ADV, Part 2B, this “Brochure Supplement” or “Brochure,” is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those who are considering becoming a Client of LotusGroup Advisors, LLC (“LotusGroup,” “LGA,” the “Firm,” the “Adviser,” “us,” “we,” or “our”).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. The information provided in this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Adviser provide you with information which you may use to determine whether to hire or retain an Adviser.

This Brochure provides information about the above Investment Advisor Representative that supplements LotusGroup’s Firm ADV Brochure. You should have received a copy of the Firm’s ADV Brochure that describes the investment advisory services offered through LotusGroup Advisors, the Investment Adviser. Please contact LotusGroup Advisors CCO, Amanda N. Cohen, directly at 720.593.9861, if you did not receive the Firm’s ADV Brochure, or if you have any questions about the contents of this Brochure Supplement.

Additional information about Louis C. Frank is available on the SEC's website at www.adviserinfo.sec.gov.

(Click on the link, select “Investment Advisor – Individual” and type in the above Individual CRD #.)

LOUIS C. FRANK

Date of Birth & Educational Background

Louis C. Frank was born in 1993. He received his Bachelor of Science in Business Administration Finance from the University of Arkansas in 2016. Mr. Frank has fulfilled LotusGroup Advisor's requirement that its Investment Advisor Representatives hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- 07/2017 to Present **LotusGroup Advisers, LLC**, Denver, CO
Portfolio & Private Partner Manager, Investment Advisor Representative
- Serves on the LGA IncomePlus Fund Investment Committee
 - Execute on public investment models and portfolio management
 - Conduct and assist with primary research on new public investment opportunities and strategies
 - Provides ongoing relationship and supplier management with private investment partners
 - Participates in authoring LGA investment blogs
 - Registered as an Investment Advisor Representative
- 09/2018 to Present **LotusGroup Capital, LLC**, Denver, CO
Portfolio & Private Partner Manager, Investment Advisor Representative
- Conducts private investment partner due diligence
 - Negotiates strategic terms and finalizes contracts/relationships
 - Maintains ongoing relationship management with private partners
 - Participates in authoring company investment blogs
 - Conducts industry research
 - Works with LGC's Portfolio Managers to execute strategies, document processes, and train future employees of the funds
- 06/2016 to 05/2017 **Fortis Asset Management**, Denver, CO
Analyst

Professional Designations, Licensing & Exams

Louis C. Frank does not have any additional professional designations, licensing, or exams to disclose.

Disciplinary Information

LotusGroup Capital, LLC is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Louis C. Frank providing advice to you. Louis C. Frank does not have disciplinary history to disclose, which may be material to a client's or prospective client's evaluation of this advisory business. Further, there may be items contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of your Advisor's background.

Other Business Activities

Louis C. Frank is a Portfolio & Private Partner Manager, and Investment Advisor Representative of LotusGroup Capital, who dedicates 50% of his time to this activity during trading hours, and 50% of his time during non-trading hours. In addition to the above, Mr. Frank has the following other investment-related business activities to report:

Name of Outside Business or Organization: LotusGroup Capital

Address: 299 Milwaukee Street, Suite 201, 80206

Title: Portfolio & Private Partner Manager, Investment Advisor Representative

Description of Outside Business or Organization: Affiliated registered Investment Advisory firm.

Description of Duties or Responsibilities: Conducts private investment partner due diligence, negotiates strategic terms & finalizes contracts/relationships, maintains ongoing relationship management with private partners, participates in authoring company investment blogs, conducts industry research & works with LGC's Portfolio Managers to execute strategies, document processes & train future employees of the funds.

Start Date: 07/2017

Hours Devoted to OBA Monthly: 50% during trading hrs. / 50% during non-trading hrs.

Name of Outside Business or Organization: Magnolia Holdings, LLC

Address: 2602 W. 24th Ave, Unit 2, Denver, CO 80211

Title: Managing Partner

Description of Outside Business or Organization: Magnolia Holdings is a joint business venture between Louis C. Frank and Walter Frank. The company was created to hold real estate assets purchased by its managing partners. Louis C. Frank is the managing partner of Magnolia Holdings, LLC, a holding company that currently holds 0 assets. He would receive 50% of all profits based through the business if any capital was deployed.

Description of Duties or Responsibilities: Providing operational oversight, analysis, and due diligence.

Start Date: 04/2017

Hours Devoted to OBA Monthly: 0 during trading hrs. / 1 hour per month during non-trading hrs.

The outside business activities of Mr. Frank do not give him any incentive to recommend investment products based on anything other than a client's needs. Nevertheless, the potential for receipt of commissions and other compensation can create a conflict of interest and can provide an incentive for him to recommend products based on the compensation received, rather than on the client's needs. LotusGroup Advisors addresses this conflict of interest by requiring him to disclose such relationships to clients. Mr. Frank satisfies this requirement by advising clients of the nature of transactions or relationships, his role and any compensation to received by him, at the time of relationship inception. Mr. Frank acts in the best interest of clients, always, and clients are in no way required to utilize the services of any Investment Advisor Representative of LotusGroup Advisors in connection with such individual's activities outside of LotusGroup Advisors.

Additional Compensation

Louis C Frank does not receive any economic benefit from any person, company, or organization, in exchange for providing clients with advisory services through LotusGroup Capital.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the firm's Chief Compliance Officer ("CCO"). She oversees and administers the firm's Compliance Program in coordination with the efforts of the firm's Principal and Managing Partner, Raphael A. Martorello. Louis C. Frank is directly supervised by Stephanie L. Schlemeyer, Product Manager (T: 720.593.9861).

Covered Persons are required to abide fully by all applicable federal and state regulations and the firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to it). LotusGroup Capital requires all Covered Persons to exercise a fiduciary duty to its clients by acting in each client's best interest, and by placing client interests first and foremost, *always*. Covered Persons are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

- A. Louis C. Frank has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

B. Louis C. Frank has not been the subject of a bankruptcy petition.