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**March 27, 2025**

**This wrap fee program brochure provides information about the qualifications and business practices of Diversified Enterprises, LLC, doing business as Diversified, LLC, CRD #331709. If you have any questions about the contents of this brochure, please contact us at 302-765-3500 or via email at [david@diversifiedllc.com](mailto:david@diversifiedllc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Our registration does not imply a certain level of skill or training.**

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

## **Item 2 Material Changes**

This brochure is submitted to the U.S. Securities and Exchange Commission ("SEC") as the successor investment adviser application of Diversified Enterprises, LLC, doing business as Diversified, LLC, CRD #331709. Diversified Enterprises, LLC is succeeding to the business of registered investment adviser Diversified, LLC, CRD #123859.

Since our initial filing dated June 21, 2024 we have no material changes to report.

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## Item 4 Services, Fees, and Compensation

The Diversified, LLC Wrap Program (the "Program") is a wrap fee program sponsored by Diversified Enterprises, LLC. Diversified Enterprises, LLC, doing business as Diversified, LLC, ("Diversified" or "the firm") is a registered investment advisor domiciled in the State of Delaware. The predecessor company that is now Diversified was originally founded in 1982. Diversified Enterprises, LLC is directly owned by Andrew Rosen, Diversified, LLC and Diversified Penn, LLC. David Levy and Andrew Rosen are the majority owners of Diversified, LLC and Diversified Penn, LLC and the firm's main office is located in Wilmington, Delaware. Investment advisory services are offered by the firm's registered investment advisory representatives ("Diversified Associates" or "Associates"), located at the firm's main office, and also at offices in Pennsylvania, Alabama, Georgia and Massachusetts.

Diversified provides financial planning, portfolio management and investment management services. Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations.

### A. Description of the Program

#### Asset Management

We begin our process by compiling and analyzing data, evaluating investment options, and calculating the pertinent financial projections. Of equal importance is the human element, incorporating what we have discovered while speaking with you about your goals, your tolerance for risk, and your investment attitudes. The result is a customized "blueprint" that reflects your investment focus and attitudes, a targeted pursuit of your goals and our long-term commitment to you as we work closely together toward your objectives.

Typically, we work with clients on a "discretionary" basis. However, in limited circumstances and in Diversified's sole discretion, we also work with clients on a "non-discretionary" basis. When Diversified is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and Diversified.

When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you. Once approved by you, Diversified is responsible for executing the recommended transactions. Given this, you understand the importance of informing Diversified of any changes to your contact information. You also agree that once Diversified has attempted to reach you for approval of any recommendations, you will respond to Diversified as soon as is reasonably practicable. Otherwise, Diversified will not be able to implement the recommendation and the performance of your account may be adversely affected. Clients engaging us on a non-discretionary basis will be asked to execute an Investment Management Agreement that outlines the responsibilities of both the client and Diversified.

Depending on the specific financial advisor and intended strategy for the client, clients may participate in the wrap fee program. For participating clients, Diversified may include certain transactional costs in the client's management fee. Fees included in the wrap fee include transaction fees for the purchase or sale of securities, including transaction fees for trades placed by other portfolio managers engaged by Diversified under this wrap

program. Depending on the portfolio manager engaged to manage a portion of your assets, these transaction fees may be in the form of transaction-based pricing or asset-based pricing. Asset-based pricing is when you are charged a percentage of the dollar amount of assets in the account for all trades placed during a given period, as opposed to transaction-based pricing where you are charged commissions or other fees for each trade.

Clients will also receive the written disclosure documents of any portfolio managers engaged to manage their assets, which will provide further information on those managers and their associated fees. Additionally, clients must grant the external portfolio manager limited discretionary investment authority over the assets which Diversified assigns to the external portfolio manager. The limited discretionary authority includes the authority to exercise discretion to determine the types of securities bought and sold, along with the percentage allocation; apply its discretion as to when to buy and sell; apply its discretion as to the timing of transactions; select the broker-dealer for execution of securities transactions, if appropriate; and, take other portfolio management actions Diversified delegates or deems appropriate. Any authority granted to external portfolio managers only applies to the specific assets, within the client's custodial account, for which the external portfolio manager has been appointed as the discretionary manager.

Our wrap fees do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs and closed-end fund mark-ups and mark-downs, spreads, odd-lot differentials, and fees charged by regulatory agencies. Management fees of external portfolio managers are also not included in the Wrap Program, and to the extent utilized, you will be responsible for such fees. Diversified manages the assets of wrap fee program clients the same way as other non-wrap fee program clients, and may use external portfolio managers within the wrap program or for non-wrap program clients. Therefore, there is no difference between how Diversified manages wrap fee accounts and how Diversified manages other accounts.

Because of the nature of a wrap fee program, the wrap fee program client may pay more or less than if the client had compensated Diversified outside of the wrap fee program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees.

Diversified may engage other portfolio managers to manage assets within the wrap fee program. To the extent an external portfolio manager is utilized, the fees payable to such managers will not be included in the wrap program. Diversified is the sponsor of the wrap program, which means that Diversified receives a portion of the wrap fee for our services. Transaction fees are paid to various broker-dealers, mutual funds and ETFs and closed-end fund. The remainder of the wrap fee is the management fee payable to Diversified. The amount payable to Diversified varies depending upon the amount of trading in a client's account. The more transactions in the account, the greater the amount of transaction fees, and therefore the less compensation to Diversified. Accordingly, Diversified has a financial incentive to avoid trading the account. This creates a conflict of interest between the firm and its wrap clients. Diversified attempts to mitigate this conflict by requiring that the firm's employees acknowledge their fiduciary duty to place client interests ahead of their own and by periodically comparing wrap program client performance against any clients who are not in the wrap program.

Diversified will receive no additional compensation for offering the wrap fee program.

For some clients who are engaging Diversified to provide asset management or other services, the preparation of a financial plan may be required to properly service a client. If a financial plan is required, in the discretion of Diversified, financial planning services may be included with the costs of the other services, and clients may not be charged any additional fees. However, in certain circumstances there may be an additional charge for financial planning, based on the complexity and sophistication of the services.

### Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, Diversified is providing the following acknowledgment. When our firm provides investment advice regarding a client's retirement plan account or individual retirement account, Diversified is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way Diversified makes money creates some conflicts with a client's interests, so Diversified operates under a special rule that requires our firm to act in our client's best interest and not put our interest ahead of a client. Under this special rule's provisions, Diversified must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of clients when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Diversified gives advice that is in our client's best interest;
- Charge no more than is reasonable for our services; and
- Give clients basic information about conflicts of interest.

Diversified benefits financially from the rollover of client assets from a retirement account to an account that our firm manages or provides investment advice, because the assets increase Diversified's assets under management and, in turn, our advisory fees. As a fiduciary, Diversified only recommends a rollover when we believe it is in a client's best interest.

### Assets under Management

Diversified provides regular and continuous asset management services to \$2,080,500,590 in assets as of December 31, 2024. Of that amount, Diversified provides discretionary regular and continuous asset management services to \$2,024,777,717 in assets, and non-discretionary regular and continuous asset management services to \$55,722,873 in assets as of December 31, 2024.

### **Fees and Compensation**

#### Fees Charged

All clients will be required to execute a written agreement that will describe the type of management services to be provided and the fees, among other items.

#### Our Wrap Fees

Generally, the maximum fee to which a client will be subject for the wrap fee program is 1.95% per annum of the market value of a client's assets managed by Diversified. Fees are negotiable, and may be lower than this maximum, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors. The specific fee to which a client is subject will be stated in the Advisory Agreement the client executes with Diversified.

For clients whose assets are managed directly by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is typically paid monthly, in advance, but may also be billed according to a different fee schedule identified in the Discretionary Wrap Fee Agreement the client signs with Diversified. The value used for the fee calculation is either the average daily balance of the portfolio for the previous month, or the period value of assets. The specific valuation methodology will be specified in the client's Agreement. The average daily balance is the sum of your balance on each day of the previous month divided by the number of days during that month. This means that if your annual fee is 1.50%, for example, we will take the previous month's average daily balance, multiply the value by 1.50%, and then divide by the number of days in

that calendar year and multiply that number by days in the previous month to calculate our fee. In calculating the market value of a client's assets, assets allocated to cash or a cash proxy, such as a money market account, will be included in the calculation of assets under management. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to Diversified. While almost all of our clients choose to have their fee debited from their account, we will invoice clients upon request.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian recommended by Diversified. The client will also receive a statement from their account custodian showing all transactions in their account, including the asset management fee.

There are a number of other fees that can be associated with holding and investing in securities. These include some fees that will be paid by Diversified on your behalf, such as transaction fees for the purchase or sale of securities, as discussed above. All other fees will be deducted from your account. Expenses of a mutual fund or ETF and closed-end fund will not be included in wrap fees, as they are deducted from the value of the shares by the manager. When selecting mutual funds that have multiple share classes for recommendation to clients, Diversified will take into account the internal fees and expenses associated with each share class, and it is Diversified's policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise. For complete discussion of expenses related to each mutual fund or ETF and closed-end fund, you should read a copy of the prospectus issued by that fund. Diversified can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Examples of other fees not covered by the wrap fee include mark-ups or mark-downs, spreads paid to market makers, fees for trades executed at another broker/dealer away from the custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

Please make sure to read Item 12 of Diversified's Form ADV Part 2A brochure, where we discuss broker-dealer and custodial issues.

#### External Portfolio Managers

For clients whose assets are allocated and managed by external portfolio managers (please see Item 6 of this wrap fee brochure for more information regarding the use of external portfolio managers), the terms of fee payment may vary dependent upon the manager or managers selected. For example, while Diversified generally debits fees monthly, in advance, some managers calculate fees quarterly in advance or in arrears. The external portfolio manager may also require that clients provide written authorization allowing the external portfolio manager to directly debit their fees from the client's account. For details on the exact methodology of calculating fees by each of the managers in a client's portfolio, clients should refer to the Form ADV for such managers.

#### Pro-Rata Fees

If you become a client during a billing period, you will pay a management fee for the number of days your assets were managed by us in that billing period. If you terminate our relationship during a billing period, fees will be either refunded or charged depending on whether we bill in advance or in arrears. For terminated relationships with advanced billing, you will be entitled to a refund of any management fees for the remainder of the billing period. For terminated relationships with arrears billing, we will assess a pro-rated fee for the number of days between the end of the prior billing cycle and the date of termination.

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

Clients participating in the program may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations.

## Item 6 Portfolio Manager Selection and Evaluation

The wrap fee program offered by Diversified is sponsored by the firm, however Diversified may engage other portfolio managers to manage assets within the wrap program. Clients will also receive the written disclosure documents of any portfolio managers engaged to manage their assets. The only fees covered under the wrap fee program are transaction fees associated with the purchase and sale of securities in an account managed by Diversified or another portfolio manager within the wrap program. All client accounts managed by Diversified, including wrap fee program clients, are managed with similar processes, although account recommendations may differ.

### Client Restrictions

Clients may at any time place restrictions on the types of investments Diversified or other portfolio managers may use on your behalf, or on the allocations to each security type.

### Performance-Based Fees

Diversified will not charge performance-based fees.

### Voting Client Securities

From time to time, shareholders of stocks, mutual funds, exchange traded funds, closed-end funds, or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. Diversified will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. While Diversified may provide information or consultation to assist a client in deciding how to vote a particular security, the ultimate decision and responsibility to vote a security lies with the client. However, external portfolio manager engaged to manage client assets may vote proxies related to the investments they manage. Clients will receive the written disclosure documents of the respective external portfolio managers engaged to manage their assets, which describe the external portfolio manager's proxy voting policies.

### Methods of Analysis, Investment Strategies and Risk of Loss

Please refer to Item 8 of the accompanying *Informational Brochure*, where Diversified's *Methods of Analysis, Investment Strategies and Risk of Loss* are discussed.

### Portfolio Manager Selection

When Diversified recommends that certain portions of a client's portfolio be managed by external portfolio managers, those managers demonstrate knowledge and expertise in a particular investment strategy. We examine the experience, expertise, investment philosophies and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. Diversified makes reasonable inquiries into each manager's performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk management. We monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we will determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each external portfolio manager's disclosure document regarding the particular characteristics of any program and managers selected by us.



We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client, or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client.

It is important to note that these managers may charge a separate, and additional fee, for their services. Such fees are separate and apart from the fees charged by Diversified; however, Diversified will consider these fees in its decision to recommend the use of an external portfolio manager.

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

As discussed above, Diversified may utilize other managers to assist in the management of client assets. In those instances, Diversified provides those other managers with your investment objectives, financial circumstances, risk tolerance, any restrictions you wish to impose on investment activities, and any other information Diversified deems necessary for the management of your accounts.

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

Generally, your contact for information and consultation regarding your accounts is Diversified. However, clients may contact Diversified or any other portfolio manager utilized by Diversified, at any time.

## **Item 9 Additional Information**

### **Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events material to your evaluation of Diversified or the integrity of Diversified's management. Diversified has no reportable information applicable to this Item.

### **Other Financial Industry Activities and Affiliations**

#### **Broker-dealer**

An Associated Person of Diversified is a registered representative of Purshe Kaplan Sterling Investments ("PKS"), an unaffiliated registered broker/dealer, member FINRA/SIPC. Diversified, the firm, is not a registered broker-dealer and does not have a pending application to register as a broker-dealer. If clients choose to implement commissionable securities recommendations through this Diversified Associate, they will offer only those products approved by PKS. In this capacity as a registered representative of PKS, the Diversified Associate may receive commissions for securities product sales which may or may not include 12b-1 fees paid for mutual fund shares. The potential for this additional compensation creates a conflict of interest when making planning recommendations that involve securities products for which commissions may be earned. The Diversified Associate makes these recommendations when he feels it is in the client's best interest, based on the specific needs and objectives of the client. The potential for additional compensation is not a criterion on which these recommendations are based. For clients who engage Diversified for Asset Management Services, Diversified Associates will not earn commissions (including 12b-1 fees) in addition to an advisory fee.

#### **Futures Commission Merchant/Commodity Trading Advisor**

Neither members of management, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

## Relationship with Related Persons

### *Insurance*

Diversified Associates are licensed to sell various insurance products for which they may receive product commissions. Collectively, they represent many insurance companies from which product recommendations are made. The potential for this additional insurance compensation creates a conflict of interest when making planning recommendations that involve insurance products for which commissions may be earned. Diversified Associates make insurance product recommendations when they feel it is in the client's best interest, based on the specific needs and objectives of the client. The potential for additional compensation is not a criterion on which these recommendations are based.

Diversified Insurance, LLC ("Diversified Insurance") is affiliated with Diversified through common control. The principal owners of Diversified are the principal owners of Diversified Insurance. Diversified Insurance is a full service general insurance agency licensed in the Commonwealth of Pennsylvania that is able to broker insurance products. Therefore, as stated previously, certain Diversified Associates are separately licensed as insurance agents. As such, these professionals may conduct insurance product transactions for Diversified clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in their capacity as employees of Diversified. In the event that a client account managed by Diversified contains any annuity investments for which a related person of Diversified has received a commission related to its sale, Diversified will not include the value of these assets in its calculation of the management fees. Diversified Associates therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage Diversified or utilize these Associates to implement any insurance recommendations. Diversified attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with Diversified, or to determine not to purchase the insurance product at all. Diversified also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of Diversified, which requires that employees put the interests of clients ahead of their own.

### *Accountant*

Diversified Tax, LLC ("Diversified Tax") is affiliated with Diversified through common control. The principal owners of Diversified are the principal owners of Diversified Tax. Clients needing assistance with tax preparation and/or other tax or accounting services, may be referred by associated persons of Diversified to CPAs or tax professionals at Diversified Tax. Associated persons of Diversified have a financial incentive to make such recommendations, due to the common ownership of the firms. Thus, a conflict of interest exists. Clients are under no obligation to engage Diversified Tax and do so at their own discretion. Clients who choose to engage Diversified tax may be subject to separate fees and expenses payable to Diversified Tax, as disclosed at time of engagement. These fees are in addition to any fees paid to Diversified for investment advisory services.

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

- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Diversified does not recommend to clients that they invest in any security in which Diversified or any principal thereof has any financial interest.
- C. On occasion, an employee of Diversified may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

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### **Review of Accounts**

For portfolio management and this wrap fee program, client accounts are regularly and continuously reviewed by Diversified Associates and the third-party investment advisor, if applicable, as described in the program disclosure materials. It is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will also trigger a review of accounts.

All clients will receive statements and confirmations of trades directly from the custodian at which their assets are held.

### **Client Referrals and Other Compensation**

A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

Diversified participates in the institutional advisor programs (the "Programs") offered by Charles Schwab Advisor Services ("Schwab") and Fidelity Institutional ("Fidelity"), together the "Custodians". Charles Schwab Advisor Services is a division of Charles Schwab & Co, Inc., a FINRA member firm, and Fidelity Institutional<sup>®</sup>(Fidelity) provides investment products through Fidelity Distributors Company LLC; clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC; and institutional advisory services through Fidelity Institutional Wealth Adviser LLC. Neither Schwab nor Fidelity is affiliated with Diversified. Schwab and Fidelity offer to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Diversified receives some benefits from the Custodians through its participation in the Programs.

As disclosed above, Diversified participates in the institutional customer programs offered by the Custodians, and Diversified may recommend the Custodians to Clients for custody and brokerage services. There is no direct link between Diversified's participation in the Programs and the investment advice it gives to its Clients, although Diversified receives economic benefits through its participation in the Programs that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Diversified participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Diversified by third party vendors.

Some of the products and services made available by the Custodians through the Programs may benefit Diversified but may not benefit its Client accounts. These products or services may assist Diversified in managing and administering Client accounts, including accounts not maintained at the Custodians. The benefits received by Diversified or its personnel through participation in the Programs do not depend on the amount of brokerage transactions directed to the Custodians. As part of its fiduciary duties to clients, Diversified endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Diversified or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Diversified's choice of the Custodians for custody and brokerage services.

#### B. Compensation to Non-Advisory Personnel for Client Referrals.

Diversified has entered into solicitor or "promoter" agreements whereby Diversified compensates certain web-based service providers for client referrals that may result in the provision of investment advisory services by Diversified. Both Diversified and the third-party solicitor must comply with the requirements of the jurisdictions in which they operate, and comply with Rule 206(4)-1 under the Advisers Act. The third-party solicitor that makes the referral to Diversified will receive a one-time fixed referral fee or may charge a subscription fee for Diversified's participation in their referral program. Such compensation is paid pursuant to a written agreement with the third-party solicitor and may be terminated by either party at any time. A client will not pay additional fees because of this referral arrangement and the cost of any such referral fee will be borne entirely by Diversified. A solicitor has a financial incentive to recommend Diversified for advisory services. This creates a conflict of interest; however, referred individuals are not obligated to retain Diversified for advisory services. Comparable services and/or lower fees may be available through other firms. Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements.

#### **Financial Information**

Diversified does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

#### **Artificial Intelligence**

We may use artificial intelligence ("AI") in our business operations, in order to promote operational efficiency and augment our client service. We currently do not knowingly utilize AI in our investment selection process or to formulate the specific investment advice we render to you. AI models are highly complex and may result in output that is incomplete or incorrect. Our use of AI includes certain third-party technologies aimed at driving operational efficiency by automating meeting prep, meeting notes, CRM updates, meeting recap notes, task management, and other client service related functions. We believe the use of this technology allows us to reduce administrative time, prepare for client engagement, and improve overall client experience. The use of AI poses risks related to the challenges the Company faces in properly managing its use. Content generated by AI technologies may be deficient, inaccurate, or biased, and the use of AI tools may lead to errors in decision-making. Use of AI tools could also pose risks related to the protection of client or proprietary information. Such risks may include the exposure of confidential information to unauthorized recipients, violation of data privacy rights, or other data leakage events. For example, in the case of generative AI, if confidential information, including material non-public information or personal identifiable information is input into an AI application, such information is at risk of becoming part of a dataset accessible by other AI applications and users. The regulatory environment relating to AI is rapidly evolving and could require changes in our adoption and implementation of AI technology in the future. The use of AI may also expose us to potential litigation risk or regulatory risk.

### **Aggregated Trades**

Diversified may or may not combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). If trades are aggregated, we will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

Diversified typically will not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

### **Trade Errors**

In the event a trading error occurs in a client's account, Diversified's policy is to restore the client's account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account for any loss. If a trade correction results in a gain, proceeds are not credited to the client account but instead may be donated to charity, as determined by the account custodian.

### **Privacy Policy**

Diversified maintains a specific Privacy Policy that is distributed to each client at the time of engagement and annually thereafter. Diversified collects nonpublic information about clients from the following sources: information the firm receives from clients verbally, on applications or other forms and information about client transactions with others or the firm.

Diversified may have to share non-public client information with unaffiliated firms in order to service client accounts. As part of its comprehensive approach to financial planning, Diversified may share non-public client information with other professionals who may provide insurance services, estate planning services, tax services, mortgage services, or other services needed for a client's financial plan. Additionally, Diversified may have to provide information about clients to regulatory agencies as required by law. Otherwise, Diversified will not disclose any client information to an unaffiliated entity unless a client has given express permission for the firm to do so.

Diversified is committed to protecting client privacy. The firm restricts access to clients' personal and account information to those employees who need to know the information. Diversified also maintains physical, electronic and procedural safeguards that the firm believes comply with Federal standards to protect against threats to the safety and integrity of client records and information.

### **Business Continuity Plan**

Diversified maintains a written Business Continuity Plan (Disaster Recovery) designed to address procedures to launch a timely recovery from a disaster. The basis of these procedures is to ensure that Diversified will meet its fiduciary obligations to clients and minimize the impact of a disaster to Diversified, its employees, vendors and clients. The Chief Compliance Officer is responsible for the maintenance and implementation of the Business Continuity Plan.