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November 9, 2026

This 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 david@diversifiedllc.com. 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.

Diversified, LLC is a registered investment advisor domiciled in the State of Delaware and registered with the SEC. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.
Additional information about Diversified, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Since our last annual updating amendment filing dated March 22, 2026, we have no material changes to report.

A complete copy of our brochure may be requested by contacting David Levy, Chief Compliance Officer, at 302-765-3500 or david@diversifiedllc.com.

Additional information about Diversified, LLC is available by accessing the SEC's web site at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Diversified, LLC who are registered, or are required to be registered, as investment advisor representatives of the firm.

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Item 4 Advisory Business

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, Massachusetts and Michigan.

Financial Planning Services

Diversified offers comprehensive Financial Planning Services to its clients typically in a two-phase process. Clients are required to sign a specific Planning Agreement. The phases of the financial planning process are as follows:

Phase One

In Phase One, Diversified performs the on-boarding financial planning phase. This typically includes, but is not limited to, all or some of the following: Cash Flow Management; College Planning; Tax Planning; Debt Ratios and Refinancing; Insurance matters (business, group and personal); Company Benefit Analysis; Retirement Planning; other Business Matters; Estate Planning; Social Security Planning; Investment Planning; Charitable/Legacy Planning; Family Budgeting and Asset Allocation. Diversified reviews a client's overall financial situation and makes observations and recommendations concerning past, present, and future placement of monies into investments, savings, and insurance, based on the individual needs of the client.

Phase Two

In Phase Two (if selected by client), Diversified implements the recommendations made in Phase One, described above, and provides on-going financial planning services which includes all matters previously mentioned in Phase One, as well as asset management services. Diversified provides on-going financial planning advice on a retainer and/or asset management fee basis. On-going financial planning services include, at minimum, a yearly review of the client's financial plan, with adjustments based on changes in the client's situation. A separate Agreement will be signed for Phase Two services.

Clients have the option of choosing from two levels of financial planning services described below:

- **Platinum Financial Planning Clients** are those clients who desire an integrated comprehensive financial plan, which includes an interactive planning forecast and a cash-flow analysis. Diversified will prepare a personalized financial plan, using a web-based platform, with unlimited meetings and advice (Phase One). These services conclude with the delivery of the planning services and the Planning Agreement terminates. If Client chooses to engage us for on-going services (Phase Two), Client will execute a separate Asset Management Agreement and will receive investment management, unlimited advice and planning forecast in addition to access to Diversified's network of professionals.
- **Gold Financial Planning Clients** are those clients who do not desire an integrated comprehensive financial plan, which includes an interactive planning forecast and a cash-flow analysis, but do desire a comprehensive review of their entire financial situation (Phase One). These services conclude with the delivery of the services and the Planning Agreement terminates.

Financial plans are based on a client's financial situation at the time we present the plan, and on the financial information the client provides to us. Clients must promptly notify our firm if their financial situation, goals, objectives, or needs change. Clients are under no obligation to act on our financial planning recommendations. Should a client choose to act on any of our recommendations, the client is not obligated to implement the

financial plan through Diversified Associates. Moreover, a client may act on our recommendations by placing securities transactions with any brokerage firm. Clients who come to Diversified from another investment adviser may receive financial planning services consistent with a delivery model originally contracted at the prior firm.

Elite Services
In addition to the Gold and Platinum offerings described above, clients may elect to add an Elite bundle add on which bundles one or more advanced-planning services that may include additional estate planning or tax planning services, asset management, 401k management, retirement plan advisory services, and/or any of the other advisory services offered by Diversified. With Elite services, clients have the option of receiving advanced financial planning services for a bundled fee, which could include the development of comprehensive estate planning documents (trusts, wills, power of attorneys, advance medical directives, etc.) prepared by an attorney with whom Diversified has a relationship, advanced tax planning including preparation of tax returns by an accountant associated with a firm affiliated with Diversified, or other advanced financial planning services. The Elite bundled services may also include asset management, 401k plan management, retirement plan advisory services, among other things. Each service selected by a client as part of an Elite bundled services package will be specified in the Elite Services Agreement a client signs with our firm. Clients engage affiliated and unaffiliated service providers separately and in their sole discretion.

Financial Consulting Services
In some cases, clients may choose to engage Diversified for more limited financial consulting services. These services typically involve consultation on a specific or isolated area of concern, such as estate planning, retirement planning, or any other specific area of financial planning. Consulting services will generally not include the development of a written plan and will be more limited in focus based on a client's specific need.

Asset Management Services
Diversified offers regular and continuous individualized asset management (portfolio management) services to its clients either as part of the Phase Two financial planning services or as a stand-alone offering. In the case of a stand-alone offering, limited financial planning services (not including the comprehensive financial planning services described above) may be included as part of the fee charged for this service. These asset management services are offered on both a discretionary and non-discretionary basis. Through personal consultations with the client, Diversified gathers specific financial data to develop a client's personalized profile, which includes, but is not limited to, their investment objectives, current financial position, risk profile, investment time horizon, tax situation and liquidity needs. Diversified reviews the client's personalized profile and based upon this review, determines an appropriate portfolio management strategy, which may or may not include asset management offered by a third-party advisor. In some cases, asset management services will include management of a client's employer-sponsored 401k or other accounts held at custodians other than those recommended by Diversified ("outside account"). Such management may be on a discretionary or non-discretionary basis, as agreed to by the client and Diversified.

If a client participates in our discretionary portfolio management services, we ask clients to grant our firm discretionary authority to manage the account. Discretionary authorization will allow us to determine the specific securities and the amount of securities to be purchased or sold for the account, or the third-party manager to manage the account, without the client's specific approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement the client signs with our firm and the appropriate trading authorization forms. Clients may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for the account) by providing our firm with their restrictions and guidelines in writing.

As part of Diversified's discretionary or non-discretionary asset management services, clients may engage us to provide advice related to held-away retirement assets, such as 401k plan assets. Diversified uses a third-party platform to facilitate the discretionary or non-discretionary management of these assets. The platform allows Diversified to avoid being deemed to have custody of these assets since neither Diversified nor a person

associated with Diversified, has direct access to client log-in credentials to affect trades in these held-away accounts. Diversified is not affiliated with the platform in any way and is not compensated by the platform for use of their services. In order to establish access to the held-away accounts for discretionary or non-discretionary management, a link is provided to the client allowing them to connect a held-away account to the platform. Once this connection is established, Diversified will review a client's investment allocations and will rebalance an account, as needed or recommended, consistent with a client's investment goals, risk tolerance, and objectives. Discretionary authority to manage these held-away assets is granted to Diversified through an agreement executed by the client. For non-discretionary management, a client must give explicit approval for Diversified to affect transactions in the client's account.

If a client enters into non-discretionary arrangements with our firm, we must obtain the client's approval prior to executing any transactions on behalf of the client's account. Non-discretionary clients have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Third-Party Advisory Programs/Sub-Advisor Programs
Diversified has relationships with third-party advisors which allow Diversified to refer clients to these investment advisors for individual asset management, separate accounts, or other programs as described in the third-party advisor's disclosure brochure. Diversified may also establish sub-advisor relationships with other third-party advisors, on a case-by-case basis. If Diversified has been granted discretionary authority by a client, Diversified will determine if a relationship with a third-party advisor/sub-advisor is appropriate for the client, and will select the third-party advisor for the client. If Diversified is providing asset management services on a non-discretionary basis, Diversified may recommend the services of a third-party advisor, and the client will determine if that strategy is appropriate. Clients are given disclosure materials for the third-party investment advisor, if applicable, which include a description of the program being recommended. Clients may be required to enter into an Agreement with the third-party advisor, which in some cases may grant discretionary trading authority to the third-party advisor.

Zoe Financial, Inc. Turnkey Asset Management Program (TAMP)
Diversified participates in a wealth management platform (the "Platform") that provides reporting, administrative, and other support services for certain clients referred to Diversified by Zoe Financial, Inc. ("Zoe"). For clients who participate in the Platform, Diversified is responsible for gathering sufficient information from a client to evaluate the client's financial situation, investment objectives, financial goals, risk tolerance, and investment horizon, and for selecting a specific investment strategy for the client. The Platform enables digital account opening, automated rebalancing, fractional share trading, and performance tracking. It also offers Diversified the ability to rebalance a client's account at Diversified's discretion. Such rebalancing can be performed either manually by Diversified, or automatically through the use of Zoe's automated rebalancer functionality in accordance with pre-determined investment criteria for a client's specific account. Zoe does not provide direct investment advice or custody services.

Retirement Plan Advisory Services
Diversified offers retirement plan advisory services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary in the advisory agreement. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These retirement plan advisory services will be non-discretionary and advisory in nature as a 3(21) ERISA fiduciary, and will be specified in the Retirement Plan Agreement. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

Diversified may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification;

- Asset allocation;
- Risk tolerance; and
- Time horizon

Educational seminars may include other investment-related topics specific to the particular plan.

Diversified may also provide additional types of retirement plan advisory services to plans on an individually negotiated basis and as specified in the advisory agreement. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the Retirement Plan Agreement may terminate the agreement upon notice to the other party in accordance with the terms of the agreement for services. The retirement plan advisory fees will be prorated for the billing period in which the termination notice is given and any unearned fees, if any, will be refunded to the client.

If individual plan participants desire personalized financial planning or investment advisory services, Diversified may engage these individuals as clients. In these cases, the individual plan participant will execute a separate advisory agreement with Diversified, for personal investment advisory services outside of the plan. Diversified's normal and customary advisory fees would apply, as disclosed in the agreement signed by the client.

Wrap Fee Program
Diversified is a portfolio manager to and sponsor of a wrap fee program, which is a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. If a client participates in our wrap fee program, the client will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost a client will incur in our wrap fee program may be higher or lower than might be incurred by separately purchasing the types of securities available in the program.

Transactions for a wrap account must be executed by Charles Schwab & Co. ("Schwab"), a registered broker/dealer and member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, clients should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by Schwab or other broker-dealers, and the advisory fees charged by investment advisers. For more information concerning the Wrap Fee Program, see *Appendix 1* to this Brochure.

Financial Institution Consulting Services
Diversified provides investment consulting services to certain broker/dealers' customers ("Brokerage Customers") who provide written consent requesting to receive Diversified's consulting services. Brokerage Customers have entered into a written agreement with Diversified. Such contractual engagements do not include assuming discretionary authority over brokerage accounts or the monitoring of securities positions. Services offered to Brokerage Customers may include a general review of client investments holdings, which may or may not result in Diversified Associates making specific securities recommendations or offering general investment advice.

Adviser to a Private Fund
Diversified serves as investment adviser to an unaffiliated private limited partnership (the "Limited Partnership"), which invests primarily in fixed-income securities and obligations of the US Government and its agencies. Diversified is not the General Partner or a Limited Partner of the Limited Partnership. As the adviser to the Limited Partnership, Diversified develops a portfolio strategy and selects and monitors investments or portfolio

managers and provides general investment advice to the Limited Partnership. No Diversified client or Associated Person is an investor in the Limited Partnership, and Diversified does not market, recommend or solicit investors for the Limited Partnership.

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.

General Information Related to Financial Planning and Investment Recommendations
Diversified does not limit its investment advice to any specific type of product or security. In addition, some clients may receive different services ("legacy services") as disclosed in their executed investment advisory agreement. Such legacy services may have been negotiated by a firm from which Diversified has acquired client engagement through an agreed-upon assignment of an investment advisory contract or through the transfer of an investment adviser representative. Legacy services will be maintained by Diversified until and unless a new investment advisory agreement is executed by the client. A client's individual needs and objectives are analyzed to determine appropriate financial planning needs, and investment recommendations and asset management services are tailored to the individual client's needs. Clients are free to impose reasonable restrictions as to the types of securities recommended by Diversified, and for non-discretionary asset management, all investment decisions are the sole decision of the client. Since different types of investments typically involve different types of risk, Diversified conducts a risk analysis for the client and his/her overall portfolio before recommending a certain investment. In general, the firm provides advice on equity investments in individual stocks, no-load or load-waived mutual funds, exchange traded funds, and limited partnerships. Diversified also provides recommendations on fixed income investments, including individual bond positions, bond mutual funds, certificates of deposit, and fixed income exchange traded funds. Diversified may also provide advice on other types of investments, including non-securities products, that the firm feels are suitable for the client. As an investment advisor that offers financial planning services, a conflict may exist between the interests of the investment advisor and the interests of the client. Clients are under no obligation to act upon Diversified's recommendations, and should a client choose to act on any of the recommendations made by Diversified, the client is under no obligation to effect transactions through Diversified unless a separate asset management agreement is executed.

Assets Under Management
Diversified provides regular and continuous asset management services to $2,791,127,378 in assets as of December 31, 2025. Of that amount, Diversified provides discretionary regular and continuous asset management services to $2,726,837,211 in assets, and non-discretionary regular and continuous asset management services to $64,290,167 in assets as of December 31, 2025.

Item 5 Fees and Compensation

Financial Planning Services
Diversified offers two levels of financial planning services (Platinum and Gold), as described in Item 4 above - Platinum Financial Planning and Gold Financial Planning. The specific fee to which the client is subject, is detailed in the Planning Agreement signed by the client.

Elite Services
Fees for Elite bundle services will be specified in the Elite Services Agreement a client signs with Diversified, and will be billed on a flat-fee or assets under management basis, or a combination of the two as specified in the agreement. If a client elects estate planning services, Diversified's fee includes the cost of the services provided by the unaffiliated attorney with whom Diversified works. If a client elects tax preparation services, Diversified's fee includes the cost of the tax preparation services provided by the affiliated accountant with whom Diversified works. Fees for other third-party service providers engaged as part of the Elite Services Agreement, with the exception of third-party advisory programs described herein, will also be included in Diversified's fee for Elite bundled services. Clients are required to engage affiliated and unaffiliated professional service providers separately and in their sole discretion.

Financial Consulting Services
Financial consulting services fees are charged on an hourly basis, with hourly fees ranging from $250 to $500, depending on a number of factors, including the nature and complexity of the client's circumstances and upon mutual agreement with the client. An estimate of the total hours expected to be expended will be provided to the client at the start of the engagement. Diversified may collect one-half of the total estimated fee upon execution of the financial consulting services agreement (if specified in the agreement), with the remaining fee due upon presentation of a final invoice detailing actual hours expended. At Diversified's sole discretion, the firm may offset or waive the financial consulting fees to the extent a client engages Diversified for Asset Management Services.

Asset Management Services
If Diversified provides portfolio management services directly, portfolios are typically custodied at SEI Private Trust, Schwab, or Fidelity and Diversified's fees are debited directly from the client accounts. In some cases, another qualified custodian may be utilized and fees will typically be debited from the account held at such qualified custodian. Fees for these portfolio management services will be specified on the Agreement signed by the Client at the time of engagement, and Diversified's annual fee will typically not exceed 1.95% of assets under management. In some limited cases, fees for portfolio management will include limited financial planning services in addition to portfolio management, and these fees may exceed 1.95% of a client's assets under management and will be billed as a percentage of assets under management, or on a flat or fixed-fee basis as indicated on the advisory agreement. Portfolio management fees for multiple client accounts may be householded and debited from one account, at the client's direction and as specified on the Investment Advisory Agreement. If a client engages Diversified to provide portfolio management services to include 401k or other outside account (held-away) assets, the assets will be included in the overall portfolio to which the asset management fee is applied and a third-party platform will typically be utilized to facilitate the management of these held-away assets and the debiting of Diversified's asset management fee. See Item 4 for a description of the services provided to held-away assets. The Investment Advisory Agreement signed by the client will specify the fee structure to which the client is subject, the assets to which the fee applies, and the account from which the fees will be debited. Fees will be debited from the client's account as specified, and normal and customary custodial account

statements will be provided to the client. Clients are responsible for verifying the accuracy of the fee calculation. Portfolio management services offered by Diversified may cost the client more or less than services offered elsewhere.

Third-Party Advisory/Sub-Advisory Programs
If clients participate in a third-party advisory or sub-advisory program (together "third-party advisor"), specific third-party fee schedules are included in the offering materials and disclosure brochures provided by the third-party advisor. Clients may be subject to custodial fees or mutual fund expenses, as disclosed in a third-party advisor's disclosure brochure. Diversified typically will not have any authority to establish the fee schedule applicable to a third-party advisor, but the firm does establish its own fee for the advisory services provided in connection with the third-party advisor program. Diversified's fee will not exceed 1.95% of total assets under management for a client. Diversified's fee is in addition to any third-party advisor fee, as applicable, and each fee is disclosed in the program offering materials. While Diversified endeavors to only refer clients to third-party advisors that it feels charge reasonable fees, the client is responsible for reviewing the fee schedule applicable to the third-party advisor. The third-party investment advisor will provide clients a disclosure document, which discloses all applicable fees and expenses. Clients should refer to this disclosure document for specific fee schedules and termination and refund procedures. The account opening documents and/or agreement signed by the client for a third-party advisor program, will specify the fee structure to which the client is subject. A third-party advisor will direct the custodian of assets to debit its fees and Diversified's fees directly from a client account and remit Diversified's fee to Diversified. Specific fee-billing methodology is included in the disclosure brochures provided by the third-party advisor. The typical annual fee charged to the client for third party investment advisory programs will vary from advisor to advisor and may be more or less than services provided by other advisors. Clients should refer to the third-party advisor's disclosure documents and agreements for a complete discussion of all fees. Fees will be debited from the client's account by a third-party advisor on a quarterly basis, either in advance or in arrears, as described in the third-party advisor's disclosure brochure, and statements will be provided to the client. Clients are responsible for verifying the accuracy of the fee calculation. Participation in any third-party investment advisory program may cost the client more or less than purchasing program services separately.

Zoe Financial, Inc. TAMP
In addition to Diversified's asset management fee specified in the Agreement signed by the client, clients who participate in the TAMP Platform offered by Zoe Financial, Inc., may be subject to additional Platform fees assessed by Zoe and disclosed in account opening documents. In some cases, clients will pay Zoe a 0.15% assets under management Platform fee in addition to the asset management fee charged by Diversified. Clients may also pay Zoe a fee for participation in certain model portfolios, not to exceed 0.50% of assets under management. All fees are disclosed to a client in the Platform account opening documents and are billed quarterly, in arrears, based on the end of quarter balance. Clients referred to Diversified by Zoe as Promoter (See Item 14 in this brochure), are not subject to either a Platform fee or a model portfolio fee.

Retirement Plan Advisory Services
Diversified's advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis and the annual fee will not exceed 1.5% of assets under management. Fees are typically assessed quarterly, in arrears, based on the value of the plan as reported by the custodian on the last business day of the billing period. If a third-party advisor or retirement plan provider is used, fees will be assessed by the third-party advisor or retirement plan provider as disclosed in the applicable disclosure brochure, offering materials, or plan agreement, and may be in advance or arrears, based on the average daily balance or the account value in the defined billing period. Diversified's fees will be deducted directly by the qualified custodian, unless Diversified, in its sole discretion, allows a sponsor to pay fees directly to the firm. Diversified's fee is separate from, and in addition to, any fee charged by a third-party advisor or retirement plan provider.

Clients may terminate the retirement plan advisory services agreement upon written notice to Diversified. Clients will incur a pro rata charge for services rendered prior to the termination of the agreement, which means clients will incur advisory fees only in proportion to the number of days in the billing period for which client is a client.

Wrap Fee Program
If clients engage Diversified for portfolio management through the wrap fee program we sponsor, fees will not exceed 1.95% per annum based on the market value of a client's assets managed by Diversified. Fees are negotiable at Diversified's discretion. These fees are payable monthly, in advance, and are typically debited directly from the client's 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 specified in the Agreement the client signs with our firm. For a more detailed discussion of the fees associated with the wrap fee program sponsored by Diversified, please refer to *Appendix 1* to this brochure.

Financial Institution Consulting Services
Diversified receives a consulting fee based on the assets under advisement from the Brokerage Customers who have provided written consent to a broker/dealer to receive the investment consulting services from Diversified and have entered into a written agreement with Diversified. The consulting fee is calculated from the assets under advisement as of the end of a calendar quarter. The annual fee does not exceed .50% of total assets under advisement pursuant to the consulting services agreement.

Adviser to a Private Fund
As adviser to the Limited Partnership, Diversified is paid a monthly fee on the basis of the assets under management in the Limited Partnership.

General Information Related to Fees and Compensation
While Diversified has established the above referenced fees for its advisory services, the firm may negotiate fees under certain, limited circumstances, at its sole discretion. In addition, some clients remain on a different fee schedule ("legacy fees") in effect at the time of their engagement for advisory services, as disclosed in their executed investment advisory agreement. Such legacy fees may have been negotiated by a firm from which Diversified has acquired client engagement through an agreed-upon assignment of an investment advisory contract. Factors considered when determining whether a different fee will be negotiated include, among other things, the complexity of the client's financial situation and planning needs, and the provision of other services provided to the client. Although Diversified believes its fees are fair and competitive, lower fees for comparable services may be available from other sources and investment advisory services provided by Diversified may cost a client more or less than advisory services offered by other investment advisors. Diversified will not be compensated on the basis of a share of capital gains in a client's account.

In addition to advisory fees, if clients implement commission-based investment recommendations through Associates of Diversified, clients may be subject to commissions and/or custodial and account fees charged by account custodians or broker/dealers with whom clients establish accounts. Such additional fees may include, but are not limited to, transaction charges, IRA fees and other account administrative fees. Diversified does not charge asset management fees on products for which a Diversified Associate has received a commission, although the firm may charge financial planning fees in addition to earning commissions. Commissions represent an insignificant portion of the firm's total revenue.

Please see additional disclosure made for Item 14 later in this brochure. In cases where shares of mutual funds or exchange traded funds are included in clients' portfolios, clients may also be subject to fees and expenses charged directly by the mutual fund or exchange traded fund company. Such fees may include, but are not limited to, commissions, management fees, fund expenses, distribution fees, and 12b-1 fees. Clients should refer to the applicable product prospectus for a complete discussion of the fees and charges associated with the product.

If clients choose to implement the recommendations made in financial plans prepared by Diversified, clients have the option of purchasing investment products through any broker/dealer of their choice. However, if clients choose to implement recommendations through Diversified Associates, clients must implement recommendations through firms represented by said Associates. For commissionable securities products, Diversified Associates are registered representatives of Purshe Kaplan Sterling Investments ("PKS") an unaffiliated registered broker/dealer. Diversified Associates may earn commissions as registered representatives of PKS, which poses a conflict of interest as Associates may have an incentive to recommend certain products in its financial plans. Financial planning fees are not offset by commissions. As a fiduciary, Diversified places the interest of its clients first and foremost and does not base its recommendations on the potential for commissions. Please refer to Items 10 and 14 below for a more complete discussion of the potential for additional compensation. Please also refer to Item 12 for a complete discussion of brokerage practices.

If Diversified makes recommendations to clients for the purchase of insurance products, clients will pay normal and customary insurance product fees for the purchase of the product. In these cases, Diversified Associates will receive commissions as insurance agents, generally based upon a percentage of the premiums paid. Such insurance commission is paid directly to Diversified Associates, from the issuer of the insurance product. Diversified makes this service available to clients simply as a convenience to clients. Clients are not obligated to purchase any insurance products from Diversified Associates.

Clients may terminate an investment advisory agreement at any time with prior written notice. If an Agreement is terminated within the first five business days, clients are entitled to a full refund of any fees paid. If an Agreement is terminated after more than five business days, clients are assessed fees on a pro-rata basis, based on work completed and services provided. Any unearned fees paid in advance, will be refunded upon written request to terminate an advisory agreement.

Item 6 Performance-Based Fees and Side-By-Side Management

Diversified does not charge performance-based fees.

Item 7 Types of Clients

Diversified provides investment advisory services to individuals, high-net worth individuals, corporations or other businesses, pension and profit sharing plans, trust, estates, charitable organizations, and a pooled investment vehicle. Diversified charges a minimum initial financial planning fee of $500.00, which may be waived or reduced at the sole discretion of Diversified. For purposes of fees based on assets under management, Diversified may combine account values for all accounts held by a client.

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

There are general standards of education and business experience which Diversified requires of those involved in determining or giving investment advice to its clients. Diversified Associates are required to have the technical knowledge in the areas of securities and insurance.

In most instances, the method of planning advice given by Diversified will be dictated by the client's investment needs and objectives which are discussed with the client at the inception of the planning relationship. Diversified takes a comprehensive approach to evaluate an overall financial or retirement plan that meets a client's needs and objectives. Rather than focusing on specific investments, Diversified identifies an appropriate ratio of securities, fixed income investments, insurance, real estate investments and cash, to make planning recommendations that are suitable for a client's investment needs, objectives and risk tolerance. All investments involve risk and clients must be prepared to bear such risk.

Diversified uses planning strategies that it feels best meet its clients' needs and objectives. Such strategies typically include long-term investment strategies of global asset allocation and diversification. While this strategy typically meets the needs and objectives of Diversified's clients, long-term investment strategies may include the risk of not taking advantage of short-term gains that could be profitable to a client. In addition, all securities investments involve risk of loss and clients may lose all or part of their investment. Clients who elect to invest in securities must be willing to bear this risk. For this reason, Diversified takes extra care to determine an appropriate risk tolerance of its clients. Investment recommendations are always made with this risk tolerance in mind.

Our Methods of Analysis and Investment Strategies
We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

> **Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

> **Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

> **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

> **Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short Sales - Unlike a straightforward investment in stocks where an investor buys shares with the expectation that their price will increase so the investor can sell at a profit, in a "short sale" an investor borrows stocks from a brokerage firm and sells them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes

that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations in place regarding short selling.

> **Risk:** Short selling is very risky. Investors should exercise extreme caution before short selling is implemented. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited because the stock can keep rising forever. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling level because the stock price cannot fall below zero.
>
> **Risk:** A short seller has to undertake to pay the earnings on the borrowed securities as long as the short seller chooses to keep the short position open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up taking huge losses.
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> **Risk:** Margin interest can be a significant expense. Since short sales can only be undertaken in margin accounts, the interest payable on short trades can be substantial, especially if short positions are kept open over an extended period.
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> **Risk:** Shares that are difficult to borrow – because of high short interest, limited float, or any other reason – have "hard-to-borrow" fees. These fees are based on an annualized rate that can range from a small fraction of a percent to more than 100% of the value of the short trade. The hard-to-borrow rate can fluctuate substantially on a daily basis; therefore, the exact dollar amount of the fee may not be known in advance, and may be substantial.

Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

> **Risk:** If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Option Writing - a securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

> **Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon the client's predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. A client's restrictions and guidelines

may affect the composition of the portfolio. **It is important that clients notify us immediately with respect to any material changes to their financial circumstances, including for example, a change in current or expected income level, tax circumstances, or employment status.**

Tax Considerations
Our strategies and investments may have unique tax implications. Regardless of your account size or any other factors, we strongly recommend that clients consult with a tax professional regarding the investing of assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. An account custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of investments. Clients are responsible for contacting their tax advisor to determine if this accounting method is the right choice for them. If a client's tax advisor believes another accounting method is more advantageous, the client may provide written notice to our firm immediately and we will notify the account custodian of the individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss
Investing in securities involves risk of loss that a client should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations
When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential loses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell an investment at a fair price at a given time due to high volatility or lack of active liquid markets, including the possibility of not being able to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Artificial Intelligence Risk: We may use artificial intelligence ("AI") in our business operations, in order to promote operational efficiency and augment our client service. In some cases, we may use artificial intelligence and machine learning–based tools ("AI Tools") as part of our investment research and portfolio management process.These AI Tools are designed to assist in identifying investment opportunities, evaluating securities, and/or generating investment-related insights based on large datasets and quantitative models. AI Tools are used as decision-support tools and are not intended to replace the judgment, experience, or oversight of our investment professionals. Final investment decisions are made by human personnel. 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.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend and some of their inherent risks are provided below.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at $1/share. However, there is no guarantee that the share price will stay at $1/share. If the share price goes down, an investor can lose some or all of their principal. In return for this risk, investors should earn a greater return on cash than expected from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Money market fund rates are variable and the rate could go up or go down.

Municipal Securities: Municipal securities, while generally thought of as safe, do have risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap"), but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment

objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". "Open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its underlying index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their underlying indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its underlying Index, or its weighting of investment exposure to such securities may vary from that of the underlying index. Some ETFs may invest in securities or financial instruments that are not included in the underlying index, but which are expected to yield similar performance.

Leveraged Exchange Traded Funds: Leveraged Exchange Traded Funds ("Leveraged ETFs" or "L-ETF") seeks investment results for a single day only, not for longer periods. A "single day" is measured from the time the L-ETF calculates its net asset value ("NAV") to the time of the L-ETF's next NAV calculation. The return of the L-ETF for periods longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from multiplying the return by the stated leverage for that period. For periods longer than a single day, the L-ETF will lose money when the level of the Index is flat, and it is possible that the L-ETF will lose money even if the level of the Index rises. Longer holding periods, higher index volatility and greater leverage both exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the L-ETF's return as much as or more than the return of the Index. Leveraged ETFs are different from most exchange-traded funds in that they seek leveraged returns relative to the applicable index and only on a daily basis. The L-ETF also is riskier than similarly benchmarked exchange-traded funds that do not use leverage. Accordingly, the L-ETF may not be suitable for all investors and should be used only by knowledgeable investors who understand the potential consequences of seeking daily leveraged investment results.

> **Leveraged ETF Leveraged Risk:** The L-ETF obtains investment exposure in excess of its assets in seeking to achieve its investment objective — a form of leverage — and will lose more money in market environments adverse to its daily objective than a similar fund that does not employ such leverage. The use of such leverage could result in the total loss of an investor's investment. For example: a 2X fund will have a multiplier of two times (2x) the Index. A single day movement in the Index approaching 50% at any point in the day could result in the total loss of a shareholder's investment if that movement is contrary to the investment objective of the L-ETF, even if the Index subsequently moves in an opposite direction, eliminating all or a portion of the earlier movement. This would be the case with any such single day movements in the Index, even if the Index maintains a level greater than zero at all times.
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> **Leveraged ETF Compounding Risk:** Compounding affects all investments, but has a more significant impact on a leveraged fund. Particularly during periods of higher Index volatility, compounding will cause results for periods longer than a single day to vary from the stated multiplier of the return of the Index. This effect becomes more pronounced as volatility increases.

Leveraged ETF Use of Derivatives: The L-ETF obtains investment exposure through derivatives. Investing in derivatives may be considered aggressive and may expose the L-ETF to greater risks than investing directly in the reference asset(s) underlying those derivatives. These risks include counterparty risk, liquidity risk and increased correlation risk (each as discussed below). When the L-ETF uses derivatives, there may be imperfect correlation between the value of the reference asset(s) and the derivative, which may prevent the L-ETF from achieving its investment objective. Because derivatives often require only a limited initial investment, the use of derivatives also may expose the L-ETF to losses in excess of those amounts initially invested. The L-ETF may use a combination of swaps on the Index and swaps on an ETF that is designed to track the performance of the Index. The performance of an ETF may not track the performance of the Index due to embedded costs and other factors. Thus, to the extent the L-ETF invests in swaps that use an ETF as the reference asset, the L-ETF may be subject to greater correlation risk and may not achieve as high a degree of correlation with the Index as it would if the L-ETF only used swaps on the Index. Moreover, with respect to the use of swap agreements, if the Index has a dramatic intraday move that causes a material decline in the L-ETF's net assets, the terms of a swap agreement between the L-ETF and its counterparty may permit the counterparty to immediately close out the transaction with the L-ETF. In that event, the L-ETF may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with the L-ETF's investment objective. This, in turn, may prevent the L-ETF from achieving its investment objective, even if the Index reverses all or a portion of its intraday move by the end of the day. Any costs associated with using derivatives will also have the effect of lowering the L-ETF's return.

Variable Annuities: A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies, as do stocks, bonds and mutual funds. Some variable annuities offer "bonus credits." In order to fund these bonus credits, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Private Investment Risk: Private investments (non-public offerings) may be recommended in specific circumstances and only when an investor meets any specific requirements (typically qualified investors). These investments are not publicly traded and are generally not registered with the Securities and Exchange Commission. Private offerings carry not only many of the same risks as public investments, but also generally carry a higher degree of additional risks such as illiquidity, uses of leverage, limited transparency, stale valuations, and taxes. Private investments can come with limited or no withdrawal or redemption rights, long holding periods, and may require extended capital calls. Investors may be subject to higher fees and expenses than public investments, which will reduce profits or increase losses. These investments also often have different tax implications and investors should consult with a tax adviser regarding to their tax treatment. Investors should always refer to the private placement memorandum for each private investment for a discussion of the principal risks specific to that investment fund's strategies.

Options Contracts: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk substantial losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.

- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

Item 9 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.

Item 10 Other Financial Industry Activities and Affiliations

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.

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.

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.

As described in Item 4 above, Diversified may recommend that clients engage a third-party investment advisor for the management of client assets. In these cases, Diversified is not affiliated with the third-party investment advisor being recommended, and Diversified does not have any business relationship with the advisor other than that of a referrer. Diversified will ensure these third-party advisors are properly registered as investment advisors. Diversified is compensated in its capacity as a co-advisor or sub-advisor for the third-party advisor, and in some cases may be compensated as a solicitor for the third-party advisor. Diversified Associates are not compensated as representatives of a broker/dealer in these cases. Diversified is incented to recommend the services of these third-party advisors on the basis of the co-advisor or asset management compensation earned from the referral. While this is true, Diversified endeavors at all times, to place the needs and interests of clients first and foremost when recommending the services of a third-party advisor. Any referral made is because Diversified feels it is in the client's interest to engage the third-party advisor. Neither Diversified, nor its Associates, receive broker/dealer commission for these third-party advisory referrals. Clients are not obligated to engage a third-party advisor for asset management services, and they do so at their own discretion.

Diversified has an agreement with Mutual Securities, Inc. ("MSI") to provide investment consulting services to Brokerage Customers. MSI pays compensation to Diversified for providing investment consulting services to Brokerage Customers. The consulting arrangement does not include assuming discretionary authority over Brokerage Customers' brokerage accounts or the monitoring of securities. These consulting services offered to Brokerage Customers may include a general review of Brokerage Customers' investment holdings, which may or may not result in Diversified Associates making specific securities recommendations or offering general investment advice. Brokerage Customers will execute a written advisory agreement directly with Diversified. This relationship presents conflicts of interest. Potential conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from Diversified; by Diversified not accepting or billing for additional compensation on broker/dealers' assets under advisement beyond the consulting fees disclosed in Item 5 in connection with the investment consulting services; and by Diversified not engaging as, or holding itself out to the public as, a securities broker/dealer. Diversified is not affiliated with MSI.

Pro Bono Financial Planning Activities

Certain of our investment adviser representatives may, on a voluntary basis, provide financial planning or financial education services through charitable, nonprofit, community, or other public-service organizations in their individual capacities as Certified Financial Planners. These services are not offered through Diversified, and are provided without compensation to the investment adviser or to Diversified. Individuals receiving such services are not considered clients of Diversified and do not enter into an advisory agreement with us. The scope of these volunteer services is generally limited and may differ from the advisory services Diversified provides to its clients. Recipients of pro bono services are not obligated to engage Diversified for advisory services, and we do not use these programs as a referral arrangement or compensation-based solicitation activity. Diversified encourages its employees to participate in various charitable endeavors as citizens of their communities, and there is no economic benefit to Diversified. Although these services are provided through independent charitable organizations, investment adviser representatives remain subject to Diversified's compliance policies and procedures, including policies relating to fiduciary duty, confidentiality, conflicts of interest, and professional conduct.

Neither the firm, nor any of its management 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.

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

Diversified has adopted a Code of Ethics to promote the principles of honesty and integrity in its business practices, and to maintain Diversified's reputation as a firm that operates with the highest level of professionalism. Diversified recognizes its fiduciary responsibilities to its clients, and its duty and pledge to place clients' interests first and foremost. In connection with this duty, all employees of Diversified are subject to the firm's Code of Ethics and are required to acknowledge their understanding of its terms. A copy of the Diversified Code of Ethics will be provided to any client or prospective client upon request.

Diversified's Code of Ethics establishes procedures for employees to report personal securities transactions and personal securities holdings. The Code sets forth procedures for management review of these reports. In some cases, Diversified's employees may be required to obtain pre-approval for certain personal securities transactions or refrain from certain transactions altogether. Diversified's Code of Ethics also sets forth the obligation of all Diversified employees to comply with applicable state and federal securities laws, and the duty to cooperate in any investigation or inquiry conducted on or by Diversified. Finally, Diversified's Code of Ethics establishes procedures for the reporting of any potential violation of the firm's Code.

Diversified or its owners, officers and employees may buy or sell securities that are the same or different than those they recommend to clients. While buying or selling the same security as a client would be incidental, it may represent a potential conflict of interest, which would be fully disclosed to the client. Diversified or its owners, officers and employees may not sell securities from their accounts directly to a client, nor may they purchase securities directly from a client. Diversified, its owners, officers and employees are prohibited from trading on material nonpublic information. Diversified does not trade ahead of clients, but instead puts clients' interests first. Employees may not purchase or sell any security prior to a transaction being implemented for an advisory client, unless the timing of such transaction was done without the employee's knowledge of a client's transaction. Neither the firm, nor a related person, recommends to clients, buys or sells for client accounts, securities in which the firm or a related-person has a material financial interest. Diversified endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the decision-making process for client investment recommendations. Diversified also endeavors to ensure that the personal trading activities of its owners, officers and employees do not interfere with the implementation of investment recommendations made to clients.

Diversified prohibits its owners, officers, and employees from participating in any principal transactions, where securities are purchased directly from, or sold directly to a client. Diversified also prohibits its owners, officers and employees from purchasing shares in initial public offerings or private placement offerings, unless express written permission is provided in advance, by the firm's Chief Compliance Officer. Diversified, its owners, officers and employees, do not recommend to clients that they buy or sell securities in which a person associated with Diversified has a material financial interest.

Item 12 Brokerage Practices

Diversified's primary investment advisory activities are financial planning and asset management services, which may include utilizing third-party investment advisors. The firm may or may not aggregate trades for clients. Clients are free to implement planning recommendations at any firm of their choice.

Diversified participates in the institutional advisor programs (the "Programs") offered by SEI Private Trust Company ("SEI"), Charles Schwab Advisor Services and Fidelity Institutional®. Charles Schwab Advisor Services is a division of Charles Schwab & Co. ("Schwab"), an unaffiliated SEC-registered broker-dealer and FINRA member. Fidelity Institutional®(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. SEI, 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 SEI, Schwab and Fidelity through its participation in the Programs. If clients choose to engage Diversified for asset management, clients will typically be required to custody assets at SEI, Schwab, Fidelity, or another custodian (collectively, "Custodians") as specified in the account opening documents. If clients choose to implement asset management programs through a third-party investment advisor, clients may be required to custody assets at a custodian chosen by the third-party advisor. Clients should refer to all disclosure materials provided by the third-party advisor, for a complete description of the custodial arrangements made for participation in the third-party program. 401k assets will be held at the custodian designated by the employer-sponsor 401k plan.

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. SEI, in particular, provides Diversified with specific compensation ($20,000) to be used toward any operational support cost determined by Diversified. This is a conflict of interest in that Diversified has an incentive to recommend SEI to its clients. However, 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 custodian for custody and brokerage services.

The Custodians recommended by Diversified serve independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – services which are not always available to retail customers. The custodians also make available various support services that help us manage or administer client accounts and are generally available at no charge to us.

The Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through these custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. In addition to investment research, the custodians also make available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and aggregated trade orders for multiple client accounts;
- provides pricing and other market data; to facilitate payment of advisory fees from client accounts; and
- assists with back-office functions, recordkeeping and client reporting.

If clients choose to implement commissionable securities recommendations through a Diversified Associate in his capacity as a registered representative, the Diversified Associate will recommend that clients utilize the brokerage services offered by PKS, an unaffiliated broker-dealer registered with FINRA. This recommendation is made based on the Diversified Associate's registration with PKS as a registered representative. In these cases, clients engage the Diversified Associate as a registered representative, and asset management fees are not charged in addition to broker/dealer commissions. Diversified believes the transaction and commission rates charged by PKS are reasonable and competitive, but a conflict of interest may exist based on the compensation earned by Diversified Associate.

Diversified is unable to negotiate specific transaction costs for transaction execution. Transactions implemented by a Diversified Associate in the capacity as a registered representative of PKS are subject to the PKS transaction and execution fee schedule in effect at the time of execution. Diversified does not negotiate commission rates or volume discounts. Therefore, investment advisory services offered by Diversified may cost a client more or less than similar investment advisory services offered by another firm, or by purchasing similar services separately.

For Retirement Plan Advisory Services, Clients will be referred to retirement plan providers who will provide custody of plan assets, such as Paychex, John Hancock, T. Rowe Price, American Funds, among others. Any decision to engage a retirement plan provider is solely made by the Client.

As part of its fiduciary duty to clients, Diversified endeavors at all times to put clients' interests first. Clients should be aware, however, that the receipt of economic benefits by the firm in and of itself creates a potential conflict of interest. While Diversified feels the quality of custodial services offered by the above-named custodians is beneficial to clients, the firm cannot guarantee that best execution will be obtained. Diversified does not recommend broker/dealers in order to receive client referrals from such broker/dealers.

Zoe Financial TAMP
Clients who participate in the TAMP Platform offered through Zoe Financial are required to open an account with Zoe Securities LLC ("Broker"), member FINRA, and Apex Clearing Corporation ("Apex"), member SIPC. Apex provides trading, clearing and custodial services to clients in the Platform.

Directed Brokerage
We routinely require that you direct our firm to execute transactions primarily through the Custodians. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

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.

Mutual Fund Share Classes
Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts

Once a Financial Plan is completed for a client, Diversified strongly recommends that the client reviews his or her overall financial plan with Diversified at least annually. The firm stresses the importance of review meetings with clients on at least 12-month intervals from the anniversary of the delivery of the initial plan. More frequent reviews are also available if there are significant changes in social, economic, or political conditions or if a client's financial situation has changed materially. In each review, there will be a comprehensive review of the client's financial situation. Diversified Associates receive client information and review and develop annual recommendations. Meetings are set with clients, as needed. These meetings are tailored to the client's specific needs and financial issues at that time, and written analyses may or may not be provided.

For portfolio management and third-party advisor programs, client accounts are regularly and continuously reviewed by Diversified Associates and the third-party investment advisor as described in the program disclosure materials.

Item 14 Client Referrals and Other Compensation

As discussed previously, the sole business of Diversified is that of providing the investment advisory services described herein. However, in order to provide comprehensive financial planning services, Diversified may, from time to time, utilize other professionals from whom clients may receive specific advice.

If Diversified makes recommendations to clients for the purchase of insurance products, clients will pay normal and customary insurance product fees for the purchase of the product. In these cases, either Diversified or Diversified Associates will receive a commission as an insurance agent, generally based upon a percentage of the premiums paid. Such insurance commission is paid directly to Diversified or the Diversified Associate from the issuer of the insurance product. Diversified makes this service available to clients simply as a convenience to clients. Clients are not obligated to purchase any insurance products from Diversified Associates. The receipt of additional compensation presents a conflict of interest in that Diversified Associates may be induced to recommend that clients purchase insurance products. While this may be true, Diversified Associates endeavor at all times to act in the best interests of their clients, and recommendations to purchase insurance products are only made when they feel it is in the best interest of a client.

As disclosed previously, a Diversified Associate may receive additional compensation through his association with PKS. As a registered representative of PKS, the Diversified Associate may receive normal and customary securities commissions from the sale of certain investment products. He may also receive 12b-1 fees on shares of

mutual fund or investment company products; however he will not earn 12b-1 fees on assets for which a Diversified Associate also earns an asset management fee. The receipt of this additional compensation represents a conflict of interest in that the Diversified Associate may be induced to recommend certain products to clients for which a securities commission may be earned. Diversified Associates endeavor to act in the best interest of their clients and recommendations for securities products for which commissions may be earned are only made when they believe it is in the best interest of the client.

Diversified may receive compensation from third-parties in the form of marketing support, including payment for client events or company due diligence meetings. SEI, in particular, provides Diversified with $20,000 in support to help cover costs for a Diversified company retreat. Such compensation is a conflict of interest in that Diversified has an incentive to recommend the services or products provided by such third-party. While this is the case, Diversified and its Associates endeavor at all times to act in the best interest of clients and recommendations are made only when the firm and its Associates feel it is appropriate for a client.

Diversified has entered into 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 promoter must comply with the requirements of the jurisdictions in which they operate, and comply with Rule 206(4)-1 under the Advisers Act. A referred individual receives a copy of this brochure along with the applicable disclosure statements. The third-party promoter 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 promoter 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 promoter 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. Promoters that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements.

Diversified participates in the Advisory Referral program offered by Zoe Financial, Inc. ("Zoe"), whereby Zoe acts as a promoter to refer prospective clients to Diversified for a fee. Zoe does not have any authority to accept any client on behalf of Diversified, and Diversified does not have any responsibility to accept any prospective client referred by Zoe. For any prospective client referred by Zoe that ends up becoming a client of Diversified, Diversified will pay a fee to Zoe based on the type of fee charged to client by Diversified (assets under management fee, hourly fee, fixed fee). For assets under management fee arrangements, Diversified will compensate Zoe in the amount of 30% of the advisory fee revenue derived from the referred client for as long as the referred client receives Diversified's assets under management based services. For fixed fee and hourly arrangements, Diversified will compensate Zoe in the amount of 30% of any of the revenue derived for services for a period of 5 years. Fees charged to referred clients who become clients of Diversified are consistent with Diversified's normal and customary fees as described in this brochure, and clients will not pay more if they are referred by Zoe. Because Diversified compensates Zoe for client referrals, a conflict of interest exists in that Zoe has a financial incentive to recommend Diversified. In addition, Zoe also offers technology, platform, and other services, for which Diversified may pay an additional fee. These relationships create additional financial incentives for Zoe to refer us over other advisers who may not pay for these services.

At the sole discretion of the owners of Diversified, the firm may compensate Diversified employees for client referrals. Under limited circumstances, certain employees may receive a bonus payment or additional compensation for introducing potential clients to Diversified Associates or for inviting potential clients to Diversified events. Such payments will be in compliance with Rule 206(4)-1 and applicable exemptions thereunder. In addition, from time to time Diversified may provide a nominal gift or other non-cash item of value to an existing client who refers a prospective client to us. Such gifts are provided as a token of appreciation for the referral and are not contingent upon the prospective client becoming a client of Diversified. The receipt or

expectation of receiving a gift creates a conflict of interest because it provides the referring client with an incentive to recommend Diversified. Diversified addresses these arrangements in accordance with applicable requirements of Rule 206(4)-1 under the Advisers Act, including applicable disclosure, oversight, eligibility, recordkeeping, and written agreement requirements.

From time to time, Diversified may feel it is appropriate to refer clients to other affiliated or unaffiliated professionals from whom certain services may be received as part of a comprehensive approach to financial planning. Examples of these other professionals include attorneys or accountants. Diversified makes these referrals as a convenience to clients only and neither Diversified nor its Associates are directly compensated for these referrals. Clients are not obligated to work with the professionals to whom Diversified may refer them, and they do so at their sole discretion. Diversified is not responsible or liable for any services provided by these outside professionals. As disclosed in Item 10 above, Diversified is under common ownership with Diversified Tax, an affiliated company to which clients may be referred for tax or accounting services. Such referrals represent a conflict of interest in that Diversified has an economic incentive to refer clients to Diversified Tax due to common ownership. Clients engage these other professionals directly, at their own expense, and these arrangements are separate and distinct from the financial planning services provided by Diversified. Again, Clients are not obligated to work with either an affiliated or unaffiliated service provider and they do so at their sole discretion. However, the unique business relationship between Diversified and these recommended service providers provides synergy in the Client's overall financial planning experience.

Item 15 Custody

Diversified does not maintain physical custody of client funds or securities, but is deemed to have custody in the following limited circumstances:

Diversified has authority, granted by clients, to deduct advisory fees from client accounts. Diversified complies with regulations for firms with this type of custody, and clients receive normal and customary custodial account statements from the qualified custodian who hold their assets. Clients should carefully review all custodial account statements.

Standing Letter of Authorization
Diversified, or persons associated with the firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore is deemed to have custody of the client's assets in any related accounts.

We rely on SEC guidance for firms with this type of custody, and we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. The client provides a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. The client authorizes us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. The client's qualified custodian verifies the client's authorization (e.g., signature review) and provides a transfer of funds notice to client promptly after each transfer;
4. The client can terminate or change the instruction;
5. Our firm has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. Our firm maintains records showing that the third party is not a related party to us nor located at the same

address as us; and
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Diversified confirms the firm meets the above criteria.

Item 16 Investment Discretion

Diversified offers asset management services on both a discretionary and non-discretionary basis, at the sole decision of the client. If Diversified effects a transaction for a client who has selected non-discretionary asset management services, specific client permission is secured prior to effecting such transaction. For clients entering into discretionary asset management agreements with Diversified, Diversified provides regular and continuous asset management services and has discretionary authority to hire and fire third-party advisors for all or a portion of a client's portfolio, when applicable. Clients may also enter into discretionary agreements with third-party investment advisors for participation in a third-party advisory program. In those cases, the third-party investment advisor will maintain discretionary trading authority over the client's account and Diversified may be granted limited authority to rebalance a client's portfolio based on a client's agreed-upon asset allocation.

Item 17 Voting Client Securities

Diversified does not accept authority to vote client securities on behalf of clients. Clients retain all rights to their brokerage accounts, including the right to vote proxies. Clients are responsible for directing each custodian of their assets to forward copies of all proxies and shareholder communications directly to the client. 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.

In some cases, third-party advisors may exercise proxy-voting authority as part of the third-party advisory program. Such authority would be disclosed in the third-party advisor's disclosure materials. In those cases, the third-party advisor and not Diversified will exercise proxy-voting privileges.

Item 18 Financial Information

Diversified does not require or solicit prepayment of more than $1,200 in advisory fees more than six months in advance of services rendered. Diversified is therefore not required to include a financial statement or balance sheet with this brochure.

Diversified does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Diversified has not been the subject of any bankruptcy petition.

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 affiliated or 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 affiliated or 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.