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Total Clarity Vision Account

WRAP FEE BROCHURE

November 1, 2018



This brochure provides clients with information about the qualifications and business practices of Total Clarity Wealth Management, Inc. and the Total Clarity Vision Wrap Program that should be considered before becoming a client. If you have any questions about the contents of this Brochure, please contact us at (630) 762-9352 and/or info@totalclaritywealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Total Clarity Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Total Clarity Wealth Management, Inc. is 142728.

Any reference to Total Clarity Wealth Management, Inc. as a registered investment adviser or its related persons as registered Advisory Representatives does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

6/4/18:

TD Ameritrade Institutional was added as a custodian for Total Clarity advisory accounts.

10/1/18:

Advisory Representatives of Total Clarity who were Registered Representatives with Cetera Advisor Networks changed Broker/Dealers to LPL Financial.

Discretion approval is now given when the client signs the TD Ameritrade or LPL Financial Account Application. A separate Limited Power of Attorney form is no longer used.

Advisory Representatives are required to purchase the lowest cost share classes for their clients when selecting a mutual fund to be held in a Total Clarity account, keeping in mind that 12b-1s can not be refunded to accounts held at TD Ameritrade or LPL Financial.

11/1/18:

Added information about Additional Services provided by TD Ameritrade Institutional to Total Clarity

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

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INTRODUCTION

Total Clarity Wealth Management, Inc. is an investment adviser registered with the Securities and Exchange Commission. Total Clarity Wealth Management offers advice regarding mutual funds, stocks as well as other products such as: variable annuities, bonds, options, government securities, certificates of deposit, Unit Investment Trusts (UITs), Exchange Traded Funds (ETFs) and 529 College Savings Plans. Total Clarity Wealth Management utilizes the clearing and custody services of TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer. Total Clarity has also entered into a relationship to offer you brokerage and custodial services through LPL Financial (LPL) an unaffiliated SEC registered Broker-dealer and Member FINRA/SIPC.

ITEM 4 - SERVICES, FEES & COMPENSATION

In its capacity as a registered investment adviser, Total Clarity Wealth Management offers various advisory services as further disclosed in its Part 2A Brochure. The programs offered include a wrap fee program entitled the “*Total Clarity Vision Account*”. The *Vision* account “wraps” all of the transaction charges in with the advisory fee vs. having each transaction charge billed directly to the client’s account.

Advisory Services

The wrap fee program offers clients a fee-based account for which the client will pay a quarterly fee for portfolio review and on-going asset management services and brokerage services. Clients will maintain an account that may contain: stocks, bonds, options, government securities, Exchange Traded Funds (ETFs), Unit Investment Trusts (UITs), and/or certain types and classes of variable annuities and mutual funds. The account may also hold Alternative Investments such as Real Estate Investment Trusts (REITs), Business Development Companies (BDCs), and private equities, as a courtesy to the client. These products are not part of the Wrap Fee Program and therefore advisory fees will not be charged on these holdings, but a commission may be paid to the Advisory Representative at the time of purchase. Transaction or holding costs are not covered within the wrap fee agreement for Alternative Investment products.

The *Total Clarity Vision Account* program offers clients portfolio review and asset management services on either a discretionary or non-discretionary basis. Discretionary asset management services allow the Advisory Representative to make buys, sells and exchanges within the account as the Advisory Representative deems appropriate, without obtaining the client’s prior consent to the transaction(s). Discretion approval is given when the client signs the TD Ameritrade or LPL Financial Account Application. . By signing the Account Application the client provide the Advisory Representative with discretionary approval for their account, he will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with the client. Unless otherwise expressly requested by the client, Total Clarity will manage the account and will make changes to the allocation as deemed appropriate by the firm and the Advisory Representative. The client may discuss with the Advisory Representative their desire to discuss any recommendations before buying or selling any securities in their account, but in order to trade at our custodians, the Advisory Representative must be given discretion on all accounts. All clients will be sent, by the custodian of their account, either by mail or electronically, confirmations of any trades done in their account. Depending on the client’s

specific goals, objectives and market circumstances, we will generally hold positions in an account for a long term, even more than a year, or we may actively trade some securities held in an account for periods of 30 days or less. Advisory Representatives will be reasonably available to the client to provide advice, make recommendations and execute transactions.

Advisory Representatives will gather information on the client's financial history, goals, objectives and financial concerns and assist the client in developing an asset allocation strategy. The client will establish an account with TD Ameritrade for any account type or LPL Financial. Based on the client's investment objectives, risk tolerance and financial situation, the Advisory Representative will provide the level of services requested by the client (i.e. asset management on a continuous and ongoing basis or portfolio review services). Total Clarity currently does not manage portfolio models, but rather our advisors customize the holdings within each account according to the client's financial history, status and risk tolerance. Therefore, strategies may vary between clients having the same Advisory Representative, as well as for clients with different Advisory Representatives.

Advisory Representatives will contact clients at least annually, or at the client's request, to discuss the *Total Clarity Vision Account* investment portfolio and to update the client's financial information when any changes have occurred. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, Advisory Representatives will recommend changes to clients' portfolios based on many factors including: shifts in the economy, changes in the management and/or structure of a mutual fund or company in which clients' assets are invested, to rebalance the portfolio and market shifts and/or corrections.

Generally, the Advisory Representative who solicited the client will conduct the annual review. Clients are advised they should notify their Advisory Representative promptly of any changes to their goals, objectives or financial situation. Failure of the client to notify the Advisory Representative of any such changes could result in investment recommendations that do not match the client's needs.

Advisory Fees

Opening an Account (initial fees): The initial pro-rated fee is charged in arrears and is based on the inflow of cash and assets and the proportion of the number of days remaining in the quarter on the date these assets were delivered into the account. Initial advisory fees will be collected directly from the account, provided the client has given Total Clarity Wealth Management written authorization to do so.

An Established Account (ongoing fees): Ongoing fees will be charged quarterly, in advance – based on the value of the account on the last day of the previous quarter. Fees are charged to and collected directly from the advisory account early in the quarter. Clients will be provided with a fee invoice that identifies:

1. The value of the account on the last day of the previous quarter (from which the advisory fee is calculated)
2. The quarterly advisory fee to be charged to the account(s)
3. The accounts(s) from which the fee will be deducted

If the account does not contain sufficient funds to pay the quarterly advisory fee, Total Clarity Wealth Management has limited authority to sell or redeem securities within the advisory account

in a sufficient amount to pay the fee. The client may reimburse the account for advisory fees paid to Total Clarity Wealth Management, with the exception of an IRA account.

Clients may make additions to or withdrawals from the account, provided the account continues to meet minimum account size requirements. Beginning with the first quarter of 2018, advisory fees will be adjusted each quarter starting with the fees for the first quarter of 2018 for any inflows and outflows of cash and holdings over or equal to \$10,000 in a single day. No fee adjustments will be made for appreciation or depreciation of the account during a quarter.

Fees are based solely on account balance(s) and are not based on a share of capital gains upon or capital appreciation of, the funds or any portion of the funds. Fees are in accordance with the following blended fee schedule:

Account Size	Maximum Annual Fee
\$0 to \$50,000	2.75%
Next \$50,001 to \$100,000	2.75%
Next \$100,001 to \$250,000	2.75%
Next \$250,001 to \$500,000	2.50%
Next \$500,001 to \$1,000,000	2.00%
Next \$1,000,001 to \$2,500,000	1.75%
Next \$2,500,001 to \$5,000,000	1.75%
Next \$5,000,001 and above	1.75%

Your Advisory Representative will negotiate your specific fee with you, based on the fee schedules outlined above. We make exceptions to our general fee schedules under certain circumstances (e.g., responsibilities involved, accounts or groups of accounts which are expected to have significant capital additions in the future, anticipated future earning capacity, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.). In such cases, lower fees or different payment arrangements can be negotiated with each client separately and will be described in your Vision or Value Account Agreement. Fees may vary from client-to-client and are detailed on the Total Clarity Vision and Value Account Agreements you will sign; however fees will not exceed the schedules shown above. Therefore, your Advisory Representative will charge more or less than another Advisory Representative. Further, certain Advisory Representatives have an active trading strategy that can result in the total fee (advisory fee plus transaction fees) for Value accounts being high and could be excessive compared to industry standards.

The fee schedules are graduated schedules. More than one fee rate may apply to the account if the total account value is \$50,001 or more at the time of valuation for the purposes of the fee calculation. Total Clarity retains a portion of the advisory fees equal to 0.04% of the account value at the end of each quarter to cover administrative costs. A portion of the net advisory fee may be paid to the Advisory Representative's supervisor and/or branch manager. The Broker/Dealer back office may receive a percentage of the net advisory fee for supervision and back office administration. The remainder of the fee is paid to your Advisory Representative. Total Clarity may change the above fee schedules upon 30-days prior written notice to you.

All accounts from one household may be added together to obtain a higher aggregate total account value on which to base fee calculations. In this case, the overall annual asset management fee may then be lower than if the fee for each account was calculated and paid independently of the other accounts. The practice of aggregating account values for the purpose of fee calculations varies by Advisory Representative. Clients may therefore pay more or less for management services depending on the policy of the Advisory Representative with whom they work.

Closing an Account (refund of fees): Since fees are billed in advance, Total Clarity will refund to the client a portion of the final fee which was collected from the advisory account(s). Details regarding final fee calculations and refunds can be found on page 9 under “Termination of a Total Clarity Vision Account.”

Costs Associated with a Wrap Fee Account

The *Total Clarity Vision Account* program may cost the client more or less than if the client purchased services separately. Costs that may affect the services if obtained separately or that the client may control if services are purchased separately include trading costs and the asset management fee. Additionally, clients are advised that a wrap fee account, as compared with a traditional commission based account, may be more costly to the client, particularly during periods when trading activity is less. Consequently, clients may find that maintaining the wrap fee account can result in a higher annual cost. During periods when trading activity is heavier, such as when the account is first opened and during periods of increased market movements, wrap fee accounts may result in lower annual costs.

Additional Fees & Transaction Charges

In addition to the advisory fee, you may also pay fees for custodial services, account maintenance fees, taxes, and other fees associated with maintaining the account. For all qualified accounts held at LPL Financial, a \$40 annual IRA maintenance will be charged.. Total Clarity and its Advisory Representatives do not control or share in any portion of such fees. Clients are advised that some Advisory Representatives may choose to cover some or all of these costs for their clients; however, this is up to the discretion of each Advisory Representative. If these costs are covered by the Advisory Representative they are refunded back at the end of each quarter to the account from which the management fees are pulled.

Furthermore, the client may pay additional fees to the mutual fund company from which they were purchased. Such fees are compensation to the fund manager and are not shared with Total Clarity Wealth Management. Total Clarity offers a wide range of mutual funds

At both LPL and TD Ameritrade, Institutional or Advisory share classes (share classes that do not pay 12b-1 fees) of mutual funds are typically charged a higher transaction fee for purchases and sells of these products. However these funds have lower expenses and therefore should result in being a lower cost to the customer, but this varies for each fund.

LPL Financial also charges a foreign Transaction Tax on foreign equity security purchases where the underlying non-US securities are from French or Italian issuers. This tax is levied by the French or Italian governments and is used to offset the tax incurred by LPL Financial as a result of executing the transaction on your behalf.

LPL Financial and TD Ameritrade will also charge a fee when purchasing Alternative Investments within Total Clarity accounts as well as an annual holding fee of \$50 per Alternative Investment. These fees will not be refunded back to the account since these holdings are not part of the wrap fee program and are not included in billing calculations. Total Clarity receives no portion of any of the above fees.

Alternative Investments

Transaction charges and annual holding fees for alternative investments such as REITs, Business Development Companies (BDCs), and private equities will be charged to the account, as they are being held in the account as a courtesy to the client, and are not considered part of the Wrap Fee Program.

Variable Annuities

For variable annuities held within Total Clarity accounts, there is no sales charge that is paid to your Advisory Representative upon purchase of the annuity. All expenses or charges, such as mortality & expense charges and fees for any riders related to the variable annuity are pulled directly from the variable annuity. These fees typically vary between 0.30% and 1.50% annually and may be pulled quarterly or annually depending on your contract and are in addition to the advisory fee. Total Clarity receives no portion of these amounts. Please see your Variable Annuity contract for a list of these fees.

Commissions & Sales Charges:

Advisory Representative of Total Clarity are also Registered Representatives of LPL Financial, a registered Broker/Dealer, member of the FINRA (Financial Industry Regulatory Authority) and SIPC (Securities Investor Protection Corporation). Load and certain no-load mutual funds pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. Since neither TD Ameritrade nor LPL Financial refund 12b-1 into Total Clarity accounts, it is recommended that mutual fund share classes that pay 12b-1s not be held to be held in Total Clarity accounts at either of these custodians unless there is no comparable non 12b-1 paying share class available.

Your Advisory Representative may also receive commissions through LPL for the purchase of Alternative Investments which may be held in the account. Total Clarity receives no portion of the above mentioned 12b-1 fees or commissions from Alternative Investments.

You may be able to purchase the securities recommended by Total Clarity directly or through other brokers or agents not affiliated with Total Clarity for a lower cost.

Termination of a Total Clarity Vision Account

In the event an account is closed, the advisory fee will be calculated based on the value of the account on the date the fees were assessed, and the termination date (the date the assets were transferred out of the account). The fee charged will be a pro-rata portion of the advisory fee for the quarter up to the date assets are transferred out of the account (termination date). This is equal to (the number of days the account was open) / (number of days in the quarter) multiplied by the fee for the full quarter. Any refund due will be calculated based on the fee previously paid for the quarter minus the pro-rata fee described above. Refunds will be credited to the account from which the management fees were pulled or a check will be mailed to the client's address of record.

The Vision Account Agreement may be terminated by either party upon receipt of a written notice of termination. Termination by a Client is effective upon receipt of the notice by Total Clarity unless a specific date is requested in the notice. You may terminate the agreement without penalty within 5 days of signing the account agreement. If you terminate an account(s) within the first calendar year after opening the account(s), you may be charged a \$200 administrative fee which may be deducted from any refund of fees. This fee may be waived at Total Clarity's sole discretion. This fee is not charged on accounts that are closed due to a transfer of the assets to another Total Clarity account. This fee may be paid in the same manner as the Asset-Based Fee or an invoice may be sent to the client if the assets are no longer in the account. Total Clarity may waive the "Administrative Fee" at our discretion. After one calendar year, if an account is terminated, Total Clarity will refund any advisory fees charged in advance based on a pro-rata calculation, as described above.

Upon termination, early redemption fees or similar fees for mutual funds or other products held in the account may be applicable as described in the fund's prospectus. Another broker-dealer may or may not accept certain assets that are held in your account. Total Clarity will use reasonable efforts to follow your instructions regarding the disposition of the assets in your account to the extent permitted by law and policies of the firm. Please Note: Total Clarity will discontinue billing after the date specified in the termination notice even if the assets are still in the account, but Total Clarity and our Advisory Representatives have no fiduciary responsibilities for the account, once the Total Clarity Agreement has been terminated.

Potential for Conflicts of Interest

Advisory Representatives recommending clients participate in the *Total Clarity Vision Account* program will receive compensation as a result of a client's participation in the program. The amount of compensation paid to Total Clarity Wealth Management and the Advisory Representative may be more than what Total Clarity and the Advisory Representative would have received if the client participated in other programs available through another broker/dealer or paid separately for investment advice, brokerage and other services. Clients are advised that Advisory Representatives may have a financial incentive to recommend the wrap fee program(i.e., *Total Clarity Vision Account*) over other programs or services.

LPL cover costs for certain trainings and conferences, including travel, accommodations, and conference fees, based on production. You are advised there is an incentive for Total Clarity and your Advisory Representative to recommend LPL over other Broker/Dealers based on the products and services that they will receive rather than your best interest.

Total Clarity will also receive additional economic benefits through TD Ameritrade's Additional Services Program. These benefits include helping to cover downloading and reconciliation costs charged by Morningstar Office, the reporting program used by Total Clarity. This results in a conflict of interest to Total Clarity when recommending to its clients that their assets be held in custody with TD Ameritrade, because TD Ameritrade considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for the firm's client accounts when determining whether to provide or continue providing Additional Services to Total Clarity.

These products and services are provided to Total Clarity as part of its overall relationship with LPL Financial and TD Ameritrade. While as a fiduciary Total Clarity endeavors to act in its clients' best

interests, the receipt of these benefits creates a conflict of interest because Total Clarity's recommendation that clients custody at one of these custodians is based in part on the benefit Total Clarity received from these services and products and not solely on the nature, cost or quality of custody or brokerage services provided by LPL or TD Ameritrade. Total Clarity's receipt of some of these benefits may be based on the amount of advisory assets custodied at each of these platforms.

Total Clarity and Advisory Representatives may buy or sell securities for themselves that are also recommended and bought or sold for Clients. Total Clarity Wealth Management, its officers, directors, employees and Advisory Representatives may not trade ahead of clients or trade in such a way as to obtain a better price for themselves than for clients.

To mitigate these conflicts of interest, this disclosure has been provided to you. If you have any concerns about the appropriateness of your Advisory Representative's recommendations based on your financial situation, you should discuss these recommendations with another financial professional

ITEM 5: ACCOUNT REQUIREMENTS & TYPES OF CLIENTS

Minimum Account Size

Total Clarity requires a minimum amount of assets to be held in an account for the purpose of obtaining asset management services. A minimum deposit of \$10,000 (cash or securities) to a brokerage account is necessary in order to participate in investment advisory services.

However, under certain circumstances, Total Clarity may waive the minimum investment size requirement and accept clients with less than \$10,000. Such circumstances may include but are not limited to, situations in which additional assets will soon be deposited; or when the client has other accounts with Total Clarity since the consolidation of these accounts for the purposes of quarterly fee calculations would bring the value of the accounts closer to a fee schedule breakpoint.

Smaller accounts are defined as accounts holding less than \$25,000 in assets. Clients are advised that performance may be affected more in these accounts due to the difficulties with diversifying smaller accounts and risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested because fluctuations in the market may have a greater impact.

Total Clarity Wealth Management does not represent, warrant or imply that the services or methods of analyses used by Total Clarity can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that a client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Total Clarity Wealth Management will provide a better return than other investment strategies.

Clients

Total Clarity generally offers the *Total Clarity Vision Account* program to individuals, non-ERISA retirement plans, trusts, estates, charitable organizations, corporations and other similar business entities.

ITEM 6: PERFORMANCE-BASED FEES

This section is not applicable to Total Clarity since Total Clarity does not charge performance based fees.

ITEM 7: TYPES OF CLIENTS

Total Clarity's services are geared toward individuals and high net worth individuals (i.e. a net worth of \$1,500,000 or more), trusts, estates, charitable organizations, corporations or other business entities.

The minimum investment required in the Total Clarity Asset Management Program is generally \$10,000 for investment advisory accounts. Accounts below these minimums may be accepted on an individual basis at our discretion. Such circumstances may include, but not be limited to either additional assets will soon be deposited or the client has other accounts with Total Clarity. You should be aware that in smaller accounts, performance may suffer due to difficulties with diversification of assets and risk controls potentially being compromised.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

8 A. Total Clarity's Advisory Representatives act as portfolio managers for their advisory clients. In that role, they use various investment strategies to reach the Clients' goals and manage investment risk by conducting economic analyses and attempting to identify relevant market trends. Additionally, IARs conduct fundamental analyses, which generally involves assessing a company's or security's value based on factors such as sales, assets, cash flow, market position, expected growth, management, products and services, earnings, and financial structure.

Investment strategies are also used by IARs to improve the performance and balance the risk of an account. Asset allocation is one of the strategies all Advisors use to attempt to optimize the risk and reward of your portfolio by investing among several asset classes.

While not a standard analysis method used by our Advisors, some Advisors offer services that attempt to time security performance. This essentially means they try to purchase or sell immediately preceding an increase or decrease in a security's price. This type of investing can substantially increase the amount of your brokerage transaction costs due to a higher trading frequency. Also, many mutual funds or variable annuities prohibit excessive trading within their fund in a short period of time. Total Clarity monitors client accounts for excessive trading as well as to ensure investments are appropriate for each client.

8 B. It is important to understand that investing in securities involves risk of loss, including the potential loss of the principal money you are investing. Therefore, your participation in any of the management programs offered by Total Clarity requires you to be prepared to bear the risk of loss as well as the fluctuating performance of your accounts. The market values of investments are subject to fluctuations based on market conditions.

We do not represent, warrant or imply that the services or methods of analysis we use can or will predict future results, successfully identify market tops or bottoms or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Total Clarity or our Advisory Representatives will provide a better return than other investment strategies.

The table below describes some of the risks associated with most types of investing, followed by in 8 C, some investment products that may be used in our advisory programs and have risks unique to that particular investment:

Management Risk	The services we offer involve your Advisor developing and implementing an investment strategy for you. A profitable investment strategy inherently involves making decisions about the future behavior of the securities markets as a whole as well as markets for individual securities. Because there is no available method to accurately predict future market behavior, there is no guarantee that any specific investment strategy will be successful.
Market Risk	This is the risk that the value of any security may go up or down at any time due to factors affecting securities markets in general or particular industries.
Interest Rate Risk	This risk affects fixed income securities which can decline in value because of an increase in interest rates; a bond or fund with a longer duration will be more sensitive to rate fluctuations.
Credit Risk	This is the risk that an investor could lose money if the issuer of a fixed income security is unable or unwilling to meet its financial obligations.
Concentrated Investment Strategy Risk	Certain investment strategies may be concentrated in a specific sector or industry. Portfolios using this strategy are more likely to sharply increase or decrease in value with changes in the market. Concentrated strategies are more volatile because the risk associated with each company or sector represents a large percentage of your overall portfolio value.

8 C. The following are types of investments and related risks that Total Clarity Advisors may use in client portfolios:

<p><u>Mutual Funds:</u></p>	<p>The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of fund managers and/or the fund straying from its stated investment objective. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. Interval funds may also be used in Total Clarity accounts.</p>
<p><u>Interval Funds:</u></p>	<p>These are a type of mutual fund product that traditionally invests in real estate. These funds will typically offer to repurchase (or buy back) a portion of shares from shareholders pursuant to restrictions noted in the prospectus. Such restrictions may be a limited buy back percentage, specific timeframes to make redemptions, applicable redemption fees or ability by the sponsor company to deny redemption requests, therefore, they are considered to have a higher risk and reduced liquidity. Mutual fund fees and interval fund fees are described in the fund's prospectus, which will be mailed or emailed directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's web site. At the client's request, Total Clarity will direct the client to the appropriate web page to access the prospectus.</p>
<p><u>Equity Securities</u></p>	<p>In general, prices of equity securities are more volatile than fixed income securities, and respond to a number of factors that can affect entire financial markets or industries.</p>
<p><u>Options:</u></p>	<p>Certain types of option trading are permitted in order to generate income or hedge a security; namely, the selling (writing) of covered call options or the purchasing of put options on a security. The use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply and the security could get called away. The risk of buying long puts is limited to the loss of the premium paid for the put if the option is not exercised or otherwise sold.</p>
<p><u>Exchange-Traded Funds (ETFs)</u></p>	<p>These funds are typically investment companies that are legally classified as open end mutual fund or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be traded throughout the day like shares of publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is referred to as the "spread". The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a high volume and liquidity and higher if there is little volume and low liquidity. Although most are registered as an investment company, some ETF's that invest in commodities are not. They may also be closed and liquidated at the discretion of the issuing company.</p>
<p><u>Structured Products:</u></p>	<p>Used less frequently, structured products are securities derived from another asset such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the</p>

<i>(continued Structured Products)</i>	reference asset. Depending upon the underlying asset or product, there can be different risks associated with the product. An investor in a structured product never has a claim on the underlying investment. There may be little or no secondary market. Tax treatment may be different than other investments. Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.
<u>Alternative Investments:</u>	Non-traded Real Estate Investment Trusts (REITs), non-traded Business Development Companies (BDC's), limited partnerships, and direct alternatives are subject to various risks such as limitations on liquidity (may take 30 days or more to liquidate), pricing mechanisms, and specific risk factors associated with the particular product, which for products associated with real estate, would include but not limited to, property devaluation based on adverse economic and real estate market conditions. Redemption may be at more or less than the original amount invested. As a result, they may not be suitable for all investors. A prospectus that discloses all risks, fees and expenses, and risk factors, may be obtained from your Advisor. Please read the prospectus carefully before investing. Investors considering Alternative Investments should understand that they are generally considered speculative in nature and involve a high degree of risk, particularly if concentrated within one industry. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments.
<u>Variable Annuities:</u>	For variable annuities held within Total Clarity accounts, your variable annuity contract has exclusions, limitations, reductions of benefits and terms under which the contract may be continued in force or be discontinued. Be sure to discuss costs and the complete details of coverage with your Advisor. Guarantees of the annuity are backed by the financial strength of the underlying insurance company. Investment sub-account value will fluctuate with changes in market conditions.

ITEM 9: ADDITIONAL INFORMATION

Disciplinary Information & other Financial Industry Activities & Affiliations

There is no reportable disciplinary information required for Total Clarity or its management persons that is material to your evaluation of Total Clarity, its business or its management persons.

Total Clarity does not have a related person who is a: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser,; futures commission merchant or commodity pool operator; banking or thrift institution; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership. We do have an affiliated person who is a lawyer, and one who is a CPA. You are under no obligation to use these services. The three principal owners of Total Clarity also own an advisor services company which recruits, trains, supports and supervises representatives of LPL Financial. One of the principal owners is also an owner of an accounting and tax practice, Exemplar Accounting and Tax Advisors, Inc. (EATA). Advisory Representatives may refer clients to EATA, which may result in a conflict of interest, whereby an owner may benefit from clients utilizing

services of both companies. You are under no obligation to purchase accounting services through EATA.

Certain Advisory Representatives are Dually Registered with LPL Financial. LPL is independently owned and operated and is not affiliated with Total Clarity. As previously stated on page 8 (“Commissions and Sales Charges”), certain Advisory Representatives are dually registered as Advisory Representatives of Total Clarity and as Registered Representatives of LPL. You are under no obligation to purchase or sell securities through your Advisory Representative. However, if we develop a financial or retirement plan for you and you choose to implement the plan with our assistance, commissions will be earned in addition to any fees you paid for the other advisory services. Commissions may be higher or lower at LPL than at other broker/dealers. Advisory Representatives will have a conflict of interest in having you purchase securities and/or insurance related products through LPL in that the higher their production with LPL the greater the potential for obtaining a higher payout on commissions earned.

Under the rules and regulations of FINRA , LPL has an obligation to perform supervisory functions regarding certain activities engaged in by Advisory Representatives who are also Registered Representatives of LPL. For such supervisory functions, LPL Financial will receive a portion of the fees previously mentioned. LPL will also receive a portion of our advisory fees from our clients’ accounts that are held at TD Ameritrade Institutional. LPL, TD Ameritrade and Total Clarity are separate entities and are not affiliated.

Advisory Representatives are licensed with various insurance companies. This is a potential conflict of interest since your Total Clarity adviser will earn commissions if you purchase insurance products through them. You are under no obligation to purchase insurance products or services through your Advisory Representative.

Total Clarity does not recommend the services of a Third Party Manager.

Total Clarity attempts to mitigate the conflicts of interest relating to the potential receipt of commissions by providing you with these disclosures.

Code of Ethics

Total Clarity has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. Total Clarity takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as our policies and procedures. We strive to handle your non-public information in such a way as to protect it from falling into the hands of anyone who has no business reason to know such information. We provide you with our Privacy Policy which details our procedures for handling your personal information.

Total Clarity maintains a Code of Ethics for its Advisory Representatives, supervised persons and office staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violation reporting requirements, and safeguarding of material non-public information about your transactions. Our Code of Ethics establishes our firm’s expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

Neither Total Clarity nor its associated persons recommends buys or sells for client accounts any securities in which they have a material financial interest. Total Clarity and its associated persons may buy or sell securities identical to those securities recommended to you. They will not put their interests before your interest. Neither Total Clarity nor any associated person may trade ahead of you or trade in such a way as to obtain a better price for themselves than for you or other clients.

Total Clarity is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

You have the right to decline any investment recommendation. Total Clarity and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

Review of Accounts

As part of the *Total Clarity Vision Account* program, your accounts will be reviewed at least quarterly and you will be contacted not less than annually for a review meeting. This is discussed in more detail on page 5 under “Advisory Services”. You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him to review the portfolio allocation and make recommendations for changes. Each Advisory Representative is responsible for ensuring timely reviews and suitable recommendations. The level of experience of Advisory Representatives will vary.

You will be provided statements at least quarterly directly from the custodian. These reports are provided from TD Ameritrade or from LPL Financial, depending on where your account is held. Additionally, you will receive confirmations of all transactions that occur within your account directly from TD Ameritrade or from LPL. Total Clarity provides a report every quarter showing all holdings within each account, along with performance data for each account beginning either on 01/01/12, or from the date of its inception, if the account was opened after that time. This is due to a change of reporting systems to Morningstar Office.

You should compare the report you receive from Total Clarity with statements received from TD Ameritrade or from LPL. Should there be any discrepancy between reports, the account custodian’s report will prevail.

Client Referrals & Other Compensation

Product vendors recommended by Total Clarity may provide monetary and non-monetary assistance with client events in addition to providing educational tools and resources. Advisory Representatives do not select products as a result of any monetary or non-monetary assistance. Total Clarity’s due diligence of a product does not take into consideration any assistance it may receive. The suitability and quality of a product for our clients is of first and foremost importance.

Total Clarity does not directly or indirectly compensate any person who is not a supervised person of our firm for referrals. Further, we do not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

Lastly, we do not compensate any person or entity for referring business to Total Clarity.

Custody

With the exception of the deduction of Total Clarity's advisory fees from your accounts, Total Clarity does not take custody of your funds or securities. As previously noted, you should compare the statement we provide you with your TD Ameritrade or LPL statement.

Financial Information

Total Clarity will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service; therefore, a balance sheet is not required to be attached. Total Clarity has discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of the deduction of Total Clarity's advisory fees from your accounts.

We are financially stable. There is no financial condition that is likely to impair our ability to meet our contractual commitment to you or any other client. Neither Total Clarity nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.

ITEM 10: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This section is not applicable to Total Clarity. Total Clarity is not state registered. Total Clarity is registered with the Securities and Exchange Commission.