



525 Tyler Rd. Suite T
St. Charles, IL. 60174
Phone: 630-762-9352
Fax: 630-587-9170
www.totalclaritywealth.com
SEC Registration # 801-67755

Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Total Clarity Wealth Management, Inc. 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 references 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.

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.

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.

Disclosures were added for forgivable loans given to Advisory Representatives who moved to LPL Financial.

Disclosures were added for Additional Services provided by TD Ameritrade

4/1/19

Additional disclosures were added to further clarify conflicts of interest

Risks associated with Exchange Traded Funds were further defined

A new account type, PreActive was added. These accounts are only available to sophisticated investors, have increased risk and volatility and are all managed with the same risk tolerance and account objective.

Additional information was added about the use of model portfolios as a tool when designing a client's portfolio.

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Item 4 - ADVISORY BUSINESS

Total Clarity Wealth Management, Inc. (hereinafter referred to as “Total Clarity”) is a financial planning and investment advisory firm offering wealth management services customized to your individual needs.

4 A. Total Clarity is a corporation formed under the laws of the State of Illinois in 2006 and filed for investment adviser registration with the Securities and Exchange Commission in April of 2007. On March 1, 2015, David J. Hubbard (CRD number 1122248) became the majority shareholder of Total Clarity. Terrance (Terry) Murphy (CRD number 2191779) remains as President and Jeanne Tackett (CRD number 5257777) is the Chief Compliance Officer and the Vice President of Operations. Terry, Jeanne, and David are the principal owners of Total Clarity Wealth Management. David Hubbard entered the financial services industry in 1980. Terry has been in the financial services industry since 1991, and Jeanne became involved in the financial services industry beginning in 2006. Additional business information about Dave, Terry, Jeanne and the other Advisory Representatives who work with clients is disclosed on the Supplemental Brochures ADV Part 2B for each Advisory Representative.

4 B. Total Clarity offers the following advisory services, a complete description of each is described below:

- Asset Allocation and Management/Portfolio Monitoring Services
- Advisory Services to ERISA Account Plan Sponsors (Employer 401K programs)
- Financial Planning
- Special Projects

Total Clarity’s Advisory Representatives are independent contractors and engage in other financial businesses as further disclosed under Item 10, resulting in additional forms of compensation. Each Advisory Representative determines the advisory services and fees based on Total Clarity’s fee structure disclosed in Item 5 below. Therefore, your Advisory Representative could charge more or less than another Total Clarity Advisory Representative for similar services. The fees charged are not correlated to education or experience.

Since our advisors are independent contractors with Total Clarity, they are able to retain your personal private information, such as your name, contact information, account registration and account numbers, even if they are no longer associated with us. Total Clarity also retains this information..

Asset Allocation and Management/Portfolio Monitoring Services

When Total Clarity completes its analysis of your existing investments and overall financial circumstances, our Advisory Representative will determine an asset allocation customized to your financial goals, objectives and risk tolerance. One of the tools available for use by our Advisory Representatives are portfolio models provided by a third party through TD Ameritrade at no charge to Total Clarity or the client, although the third party could benefit from internal expenses charged by the holdings. Your Advisory Representative can use these models as a guide in managing your account, but he is responsible to make all decisions and complete all trades himself. No other party outside of Total Clarity will have the ability to trade assets within your account. We customize your portfolio allocation taking into consideration your limitations or restrictions, the market and economy at the time, your current financial status, and future goals and objectives. We offer three managed account programs: the Total Clarity Vision Account, which is a wrap fee program, the Total Clarity Value Account, and the Total Clarity PreActive account. The Total Clarity Vision Account wraps all of the transaction charges in with the advisory fee, whereas the Value and PreActive Accounts charge an advisory fee and

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transaction charges are billed directly to the account. Please refer to the Total Clarity PreActive Brochure for additional information on these accounts which are only available to sophisticated investors and have higher risk and volatility than the Vision and Value Accounts.

Your Advisory Representative will schedule a meeting with you and present the recommended portfolio allocation. Upon your approval, we will implement the initial portfolio allocation. After we implement the initial portfolio allocation, with your written approval as indicated in the Vision, Value or PreActive Account Agreement, we will provide continuous and ongoing management of your account. By signing the Account Application you provide your Advisory Representative with discretionary approval for your 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 you. Unless otherwise expressly requested by you, Total Clarity will manage the account and will make changes to the allocation as deemed appropriate by the firm and your Advisory Representative. You can discuss with your Advisory Representative your desire to be notified any recommendations before buying or selling any securities in your 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 your account, either by mail or electronically, confirmations of any trades done in your account. Depending on your specific goals, objectives and market circumstances, we will generally hold positions in your account for a long term, even more than a year, or actively trade some securities held in your account for periods of 30 days or less.

Our Advisory Representatives primarily use open-ended mutual funds, exchange traded funds (ETFs) and stocks, including no-load and load waived mutual funds purchased at net asset value (NAV). Registered investment company securities such as mutual funds, and variable products offer the securities in various share classes. Different share classes are priced differently and share classes other than institutional share classes will involve higher internal costs that over time will cost you more. Institutional share classes often have higher trading costs though the internal expenses are lower. A client needs to consider the amount being invested and the length of anticipated holding to make a decision as to the share class most suitable to the client. Please read the disclosures under Item 10 below for important information about the advice and recommendations offered by advisory representatives and registered representatives. Representatives will select the lowest share class funds available and appropriate to the situation. However, in selecting the lowest share class, trading costs are sometimes higher. Selecting the lowest share class appropriate to the situation does not imply the lowest cost share class but means what the Representative deems lowest cost for the situation. Representatives consider the anticipated holding period, cost structure, and administrative and transaction costs associated with selecting a share class. However, there is no way to predict the future and there could be occasions where a holding is liquidated sooner or held longer resulting in higher costs to the client. Additional information about share classes can be found in an Investor Alert issued by the Securities and Exchange Commission at <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes> and <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes>. Additionally, the SEC and FINRA provides investor information at www.sec.gov and www.finra.org.

However, managed accounts are not exclusively limited to mutual funds and stocks and your account will include one or more of the following types of securities - bonds, certificates of deposits, government securities, stock options (such as covered calls and long puts), Unit Investments Trusts (UITs), money markets and variable annuities. In the case of UITs, many are not purchased into the account at NAV; they are purchased at the public offering price (NAV plus maximum sales charge). Therefore, these products will have higher internal expenses. PreActive accounts at times will also hold leveraged and

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inverse ETFs and margin accounts will give the Advisory Representative the ability to short stocks. Please refer to disclosures in Item 8 regarding risks associated with leveraged and inverse ETFs. Some Advisory Representatives also invest in “Alternative Investment” products, such as Real Estate Investment Trusts (REITs) and private equities. These are held in the Account as a courtesy to the client(s) and are not part of any wrap fee program. Refer to additional disclosure about alternative investments and the cost and compensation structure and conflicts of interest in Item 5 below.

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

After making the initial asset allocation recommendation, we will monitor your account on a periodic basis and make investment recommendations, and will provide continuous and ongoing management of the assets.

As further described below, Total Clarity has entered into a relationship to offer you custodial services through TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. 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.. For accounts held at TD Ameritrade, LPL does not provide brokerage services. Additionally, 529 type accounts with Total Clarity are held directly at the mutual fund company. There is no affiliation between Total Clarity, TD Ameritrade, and LPL

If you select another brokerage firm for custodial and/or brokerage services you will not be able to receive asset management services from Total Clarity. Most of our Advisory Representatives are also registered representatives with LPL. These Advisory Representatives must adhere to FINRA rules and regulations and the policies and procedures of LPL Financial. FINRA rules prohibit our Advisory Representatives from conducting transactions at a broker/dealer for which approval has not been obtained from LPL. Additionally, two of our Advisory Representatives are also Advisory Representatives with LPL, but being registered with two RIAs is only allowed under limited exceptions. Ameritrade has been approved to offer services which include custody of securities, trade execution, and clearance and settlement of transaction, to Total Clarity. Total Clarity receives some benefits from TD Ameritrade through its participation in the TD Ameritrade Institutional program but there is no direct link between Total Clarity’s participation in the program and the advice it gives to its clients.

You can deposit assets on which a commission was previously paid, including mutual funds on which a sales charge was paid, to a fee-based account. However, Total Clarity generally does not permit securities purchased on a commission basis to be transferred into a fee-based account for a minimum 2 year period for A shares and 4 years for B shares after the securities were purchased if your Total Clarity Advisory Representative received the commission on these mutual funds. These restrictions are not required if the securities were originally purchased by an outside firm and representative, and are being transferred into a Total Clarity Vision or Value Account under the management of our Advisory Representative. A shares or other 12b-1 paying share classes will be converted to advisory share classes upon transfer into a Total Clarity account held at TD Ameritrade or LPL Financial unless a comparable advisory share class is not available.

Total Clarity does not allow ‘C’ shares to be held within any of its programs. If they are transferred in from another account, they will be sold without a commission, if possible, as soon as they are brought into the Total Clarity account. The purpose of this prohibition is to prevent you from paying duplicative

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or extra charges. If the account would be charged a Contingent Deferred Sales Charge (CDSC) when the C shares were sold, the Advisory Representative must disclose this to you and receive your permission to complete the sale or he will cover this charge. If necessary, the C shares will be held in the account until the surrender period has passed and they can be sold without this charge. These C shares will not be included in the account value for fee calculation purposes.

Advisory Services to ERISA Accounts

Total Clarity offers on-going advisory services for Employer 401k programs Plan Sponsors. These services include providing recommendations of the asset classes and investment choices to be offered within the 401k plan and a review of the investment choices at least once a year or when requested by the Plan Sponsor. Total Clarity will also provide non-fiduciary services for these programs including working with the TPA of the plan, assisting with rollovers due to termination or retirement of Plan participants and for new participants and providing educational seminars to the plan participants at least once a year if requested by the plan sponsor(s) (educational seminars will be of general topics such as how the Plan works, Roth conversions, 529s and economic updates, but we will not be providing any specific investment advice at these seminars).

Neither Total Clarity nor the IAR will initiate trades, have custody of any Plan assets, recommend individual stocks, bonds, or mutual funds within the Plan to the Plan Participants, nor design or write Plan Documents. Please see form TCWM_348, ERISA Advisory Services Agreement for more information.

Financial Planning Services

Total Clarity offers financial, insurance, and retirement planning services and renders advice on estate and tax matters within the context of the financial planning process. Our Advisory Representative will schedule a meeting with you to gather your financial information and history and to discuss your retirement and financial goals, investment objectives, investment horizon, financial needs, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information in order to provide the planning services you request. Total Clarity will prepare a written financial plan and present the analysis of your financial circumstances along with our recommendations for steps to be taken to assist you as you work toward your financial goals.

The Plan is based on your financial situation at the time and on the financial information you disclosed to our Advisory Representative. You need to be aware that certain assumptions will be made with respect to interest and inflation rates, as well as the use of past trends and performance of the market and economy. *However, past performance is in no way an indication of future performance.* Total Clarity cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. If your financial status, investment goals or objectives change, you must notify Total Clarity promptly of the changes. Depending on the services you request, the advice offered by Total Clarity is limited and is not comprehensive in nature. Based on your specific needs or situation, you should seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement planning advice through Total Clarity or your Advisory Representative. If you do choose to implement the plan with one of our Advisory Representatives, they will receive commissions or other compensation in addition to the fee you paid for the planning services if insurance products are purchased or implementation occurs through LPL Financial.

Special Projects

In addition to the financial planning services indicated above, Total Clarity can provide guidance and assistance for special projects. Special projects at times include services such as The Discovery Process and Asset Review. The Discovery Process is a consulting process designed to help you gain clarity about the issues you face. Asset Review is a review of all your assets, including those held outside of our management services, such as in corporate retirement plans, family trusts, etc.

A special project can be a one time service, or be provided on an ongoing basis. If the project is ongoing, your fee will be invoiced quarterly along with your Total Clarity Quarterly Review, and will be deducted from an existing account you have with Total Clarity.

4 C. We tailor the advisory services we offer to your individual needs. You are able to impose restrictions and/or limitations on the investing in certain securities or types of securities. We will ask you to complete an Account Information Form, Investment Profile Questionnaire and a Risk Profile Questionnaire to assist us with obtaining information about your financial situation and history. Additionally, one or more of our Advisory Representatives will meet with you and conduct an interview and data gathering session to continue the due diligence process. The information gathered by Total Clarity will assist the firm in providing you with the requested services and customize the services to your financial situation.

Depending on the services you have requested, we will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment time horizon
- Existing portfolio statements, including retirement account information
- Financial needs
- Education savings needs
- Cash flow analysis
- Cost of living needs
- Savings tendencies
- Other applicable financial information required by our Advisory Representative in order to provide the investment advisory services you have requested.

4 D. Total Clarity's Vision Account is a wrap fee program. Our Advisory Representatives do not manage the assets in this program any differently than the assets in the Total Clarity Value accounts. PreActive accounts are managed using a much more active trading strategy and at times using leverage and inverse ETFs which are not allowed in Vision and Value accounts.

Total Clarity will receive a portion of the wrap fee for our services. For some of our Advisory Representatives, a additional portion of the net advisory fee is paid to the Advisory Representative's supervisor and/or branch manager, and the remainder of the fee is paid to your Advisory Representative.

The Vision, Value and PreActive Account Agreements 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 will be charged a \$200 administrative fee which will be

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deducted from any refund of fees. This fee can 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. After one calendar year, if an account is terminated, Total Clarity will refund any advisory fees charged in advanced based on a pro-rata calculation based on the value of the account at the beginning of the quarter and the number of days the account was open during the quarter. Upon termination, early redemption fees or similar fees for mutual funds or other products held in the account are applicable as described in the fund's prospectus. Some broker-dealers will 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 once the Total Clarity Agreement has been terminated.

4 E. As of December 31, 2018, we have approximately \$170 million of client assets under our discretionary management and approximately \$ 1.5 million of non-discretionary client assets under management. Total Clarity manages accounts for approximately 430 clients.

General Information

The investment recommendations and advice offered by Total Clarity and your Advisory Representative are not legal advice or accounting advice. You should coordinate and discuss the impact of the financial advice we provide with your attorney and/or accountant. Total Clarity's primary goal is to help our clients identify and pursue their financial goals, thereby enhancing the overall quality of their lives.

Item 5 - FEES AND COMPENSATION

Asset Management Services

5 A. The Total Clarity Vision Account program is a wrap fee program which bundles advisory and transaction charges into one asset-based fee. The Total Clarity Value Account program is also an asset management program, but in addition to the advisory fees for this account, you will pay transaction fees for securities transactions executed in your account in accordance with the custodian's transaction fee schedule. You should understand that a wrap fee program could be more costly to you than if you obtained security trading and investment advisory services separately. Additionally, you should be aware that a wrap fee account, as compared to a traditional commission-based account, will be more costly during periods when trading activity is lower. Your overall fees could be lower if you obtain the services in an unbundled program and purchase each service separately. However, 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 result in lower costs than a brokerage account.

Our fees are negotiable and are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds in your account. Advisory fees will be charged in advance on a calendar quarterly basis, based on the account balance on the last working day of the previous quarter. The blended fee schedules are as follows:

❖ **Total Clarity Vision Account Program (Wrap Program)**

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%
\$5,000,001 and above	1.75%

❖ **Total Clarity Value Account Program**

Account Size	Maximum Annual Fee
\$0 to \$50,000	2.50%
Next \$50,001 to \$100,000	2.50%
Next \$100,001 to \$250,000	2.50%
Next \$250,001 to \$500,000	2.25%
Next \$500,001 to \$1,000,000	1.75%
Next \$1,000,001 to \$2,500,000	1.50%
Next \$2,500,001 to \$5,000,000	1.50%
Next \$5,000,001 and above	1.50%

❖ **Total Clarity PreActive Account Program**

Account Size	Maximum Annual Fee
\$0 to \$500,000	2.50%
Next \$500,001 to \$1,000,000	2.25%
Next \$1,000,001 and above	2.00%

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 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

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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 will 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. For some of the Advisory Representatives a portion of the net advisory fee will be paid to the Advisory Representative's supervisor and/or branch manager. LPL Financial will receive an annual oversight fee of 0.05% times the value of each account held at TD Ameritrade for supervision and back office administration. This fee is pulled from the advisory fee before the remainder of the fee is paid to your Advisory Representative and is only assessed to Representatives who are also Registered Representatives with LPL. Total Clarity could change the above fee schedules upon 30-days prior written notice to you.

At the discretion of the Advisory Representative, all accounts from one household are added together to obtain a higher total of account values for fee calculations. In this way, your annual asset management fee will then be lower if a breakpoint is reached, since it is based on an aggregate value of all accounts within your household, than if the fee for each account was calculated independently of the other accounts. This practice varies by Advisory Representative; so you could pay more or less for management services depending on the Advisory Representative with whom you work.

You are able to 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. For example, if \$10,000 is withdrawn from an account midway through a quarter, a pro-rated amount equal to the fee on that \$10,000 multiplied by $(\text{the number of days in the quarter} - \text{the number of days the } \$10,000 \text{ was in the account}) / (\text{number of days in the quarter})$ will be credited toward the advisory fee for the next quarter. If \$10,000 is added to an account midway through a quarter, a pro-rated amount equal to the fee on that \$10,000 multiplied by $(\text{the number of days remaining in the quarter}) / (\text{number of days in the quarter})$ will be added to the advisory fee for the next quarter. No fee adjustments will be made for account appreciation or depreciation of the account during a quarter.

Please note that Total Clarity advisory fees cannot be deducted from 529 accounts held directly at a mutual fund company. Advisory fees also can not be deducted from Variable Annuities held directly at a Variable Annuity company. Fees for these accounts must be pulled from a Total Clarity account held at either TD Ameritrade or LPL Financial.

5 B. If the account is established or closed during the middle of a quarter, you will pay a pro-rated portion of the advisory fee based upon the number of days the account was under Total Clarity's management. 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. Subsequent fees are billed in advance. Advisory fees for all periods will be charged to and collected directly from your account early in each quarter. You will need to authorize us to deduct the fee directly from your account; this is done as part of the Vision or Value Agreement. You will be provided with a fee notification that identifies the advisory fee, the value of the account, and from which account(s) the fee will be deducted. If the account does not contain sufficient funds to pay the advisory fees, Total Clarity has limited authority to sell or redeem securities in sufficient amounts to pay the

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advisory fee. You are allowed to reimburse the account for advisory fees paid to us, except for ERISA and IRA accounts.

5 C. For all three Asset Management Programs you will also pay fees for custodial services, account maintenance fees, taxes, and other fees associated with maintaining the account. These fees are not charged by Total Clarity, but rather are charged by the product company, broker/dealer or account custodian. Total Clarity does not share in any portion of these fees. Additionally, you will pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. These advisory fees are not shared with Total Clarity and are compensation to the fund-manager.

Qualified accounts are charged a \$40 annual maintenance fee. This charge applies only to accounts held at LPL Financial. Certain "no load" fund shares are required to be held for a minimum holding period and are subject to a redemption fee if sold before the minimum holding period is met. This redemption fee is not covered by the management fee but is charged by and paid to the mutual fund company as described in the prospectus. We do not receive nor control any portion of these fees. Some Advisory Representatives choose to cover some of these costs for their clients who have their assets in a Total Clarity Vision Account; however, this is up to the discretion of each Advisory Representative. If these costs are covered by your Advisory Representative, they are refunded back at the end of each quarter to the account from which the fee was pulled. These fees are also charged in the Total Clarity Value and PreActive Accounts along with transaction fees. Transaction fees are due and payable at the time orders are placed. Total Clarity and its IARs receive no portion of any of these fees. 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 offers some of these advisory share class mutual funds with no transaction fees which results in a conflict of interest for your Advisory Representative to purchase these specific funds to save himself the transaction fee for a Vision Account or to save the client the fee for a Value or PreActive Account. TD Ameritrade offers some Exchange Traded Funds with no transaction fees, this also results in a conflict of interest to purchase these specific ETFs to save himself the transaction fee for a Vision account or to save the client the fee for a Value or PreActive account.

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.

Although clients do not pay a transaction charge for transactions in Vision accounts, clients should be aware that your Advisory Representative would cover these charges. The transaction charges paid by your Advisory Representative vary based on the type of security (ex. mutual fund, equity, or ETF) and for mutual funds the charge is based on whether or not the mutual fund pays 12b-1s fees and/or recordkeeping fees to the custodian. Transaction charges paid by your Advisory Representative for mutual funds range from \$0 - \$26.50/ transaction which, therefore, results in a conflict of interest since the Advisory Representative would consider this cost when deciding which securities to select and how frequently to place transactions in a Vision account. Mutual fund A share classes typically will have a lower or no transaction charge, so to help mitigate the conflict of interest in selecting a share class and since 12b-1s fees for accounts held at TD Ameritrade or LPL can not be refunded, Total Clarity as a general policy has Advisory Representatives use only non-12b-1 paying share classes, unless clients are better served with another share class.

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TD Ameritrade or LPL will also charge a \$50 fee when purchasing Alternative Investments within Total Clarity accounts as well as an annual holding fee of \$35 - \$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

The Total Clarity Vision or Value Accounts can also hold Alternative Investments such as Real Estate Investment Trusts (REITs), Business Development Companies (BDCs), and private equities, but advisory fees will not be charged on these holdings, since in this case commissions are paid to the registered representative at the time that they are purchased. Transaction costs and annual holding fees for Alternative Investment products are not covered within the wrap fee agreement. Total Clarity receives no portion of commissions paid on these holdings.

However, alternative investment products are sold by Advisory Representatives to clients on a commissionable basis in their capacity as a registered representative. Such advisory representatives will receive a commission. Alternative investments typically pay a higher commission than other securities products. Therefore, there is an incentive to recommend alternative investments over other securities products. This is a conflict of interest. Further, total compensation received by advisory representatives including commissions and advisory fees on the other holdings in the account could approach or exceed 3% which is considered excessive by industry standards. To mitigate this conflict of interest you are informed of these conflicts. Additionally, refer to the disclosures in Items 8, 10, 12, and 14 below.

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 are pulled quarterly or annually depending on your contract and are in addition to the advisory fee. Please see your Variable Annuity contract for a list of these fees. Total Clarity receives no portion of these amounts. Variable products are complex products with higher internal expenses compared to other securities products and are therefore more expensive.

5 D. As mentioned previously, the asset management fees will be charged in advance on a calendar quarterly basis based on the account balance on the last working day of the previous quarter. The initial pro-rated fee will be charged in arrears based on the account value at the end of the first quarter it is held with Total Clarity; subsequent fees will be billed in advance. If you terminate our asset management services during a quarter, you will be charged 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 $(\text{the number of days the account was open}) / (\text{number of days in the quarter})$ 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.

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An example of the fee calculation for all three types of management programs is shown below:

- Fee calculation example for a **Total Clarity Vision Account** valued at \$1.2 million:

(Amount x Rate % = Annual Fee)

Amount	Rate %	Annual Fee
\$50,000	2.75	\$1,375.00
\$50,000 (\$100,000 – \$50,000 = \$50,000)	2.75	\$1,375.00
\$150,000 (\$250,000 – \$100,000 = \$150,000)	2.75	\$4,125.00
\$250,000 (\$500,000 – \$250,000 = \$250,000)	2.50	\$6,250.00
\$500,000 (\$1,000,000 – \$500,000 = \$500,000)	2.00	\$10,000.00
\$200,000 (\$1,200,000 – \$1,000,000 = \$200,000)	1.75	<u>\$3,500.00</u>
Total Annual Fee:		\$26,625.00
Total Quarterly Fee: (\$26,625.00 divided by 4)		\$6,656.25

- Fee calculation example for a **Total Clarity Value Account** valued at \$1.2 million:

(Amount x Rate % = Annual Fee)

Amount	Rate %	Annual Fee
\$50,000	2.50	\$1,250.00
\$50,000 (\$100,000 – \$50,000 = \$50,000)	2.50	\$1,250.00
\$150,000 (\$250,000 – \$100,000 = \$150,000)	2.50	\$3,750.00
\$250,000 (\$500,000 – \$250,000 = \$250,000)	2.25	\$5,625.00
\$500,000 (\$1,000,000 – \$500,000 = \$500,000)	2.00	\$10,000.00
\$200,000 (\$1,200,000 – \$1,000,000 = \$200,000)	1.50	<u>\$3,000.00</u>
Total Annual Fee:		\$24,875.00
Total Quarterly Fee: (\$24,875 divided by 4)		\$6,218.75

- Fee calculation example for a **Total Clarity PreActive Account** valued at \$1.2 million:

(Amount x Rate % = Annual Fee)

Amount	Rate %	Annual Fee
\$500,000	2.50	\$12,500.00
\$500,000 (\$1,000,000 – \$500,000 = \$500,000)	2.25	\$11,250.00
\$200,000 (\$1,200,000 – \$1,000,000 = \$200,000)	2.00	<u>\$4,000.00</u>
Total Annual Fee:		\$27,750.00
Total Quarterly Fee: (\$27,750 divided by 4)		\$6,937.50

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5 E. As previously indicated, most of the Advisory Representatives of Total Clarity are dually registered as Registered Representatives of LPL Financial, a registered Broker/Dealer, member of FINRA and SIPC. Advisory Representatives of Total Clarity who are Registered Representatives will earn commissions for the sale of securities or investment products that they recommend for brokerage clients and executed through LPL Financial. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through Total Clarity. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment advisor. However, when purchasing these securities and investment products away from Total Clarity, you will not receive the benefit of the advice and other services we provide. 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. Mutual fund share classes that pay 12b-1s will not be allowed to be held in Total Clarity accounts at TD Ameritrade or LPL Financial unless a comparable advisory share class (this share class could also be titled “institutional”, “investor”, “Class I” or “platform” share class) can not be found. 12b-1s paid for any mutual funds held within your account will be paid to the custodian/broker firm for your account. Total Clarity and its Advisory Representatives receive no portion of these fees.

Although clients with Vision accounts with Total Clarity do not pay a transaction charge for transactions in their account, clients should be aware that their Advisory Representative pays LPL or TD Ameritrade for these charges. Because some mutual funds are offered with a \$0 transaction charge vs \$26.50 for others, and equities and ETF transaction charges range from \$0 to \$9 per transaction, this results in a conflict of interest for your Advisory Representative. Clients should understand that the cost to your Advisory Representative of the transaction charges is a factor that he considers when deciding which securities to select and how frequently to place transactions in your Vision account.

Termination Provisions for Asset Management Services

You may terminate investment advisory services obtained from Total Clarity, without penalty, upon verbal or written notice within five (5) business days after entering into the advisory agreement with Total Clarity. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services with 15-days written notice to Total Clarity. If you terminate your account within the first calendar year after it is opened, you agree to pay a fee (“Administrative Fee”) of two hundred dollars (\$200) to defray initial account setup and administration costs. This fee will be paid in the same manner as the Asset-Based Fee or an invoice will be sent to the client if the assets are no longer in the account. Total Clarity can waive the “Administrative Fee” at our discretion.

Fees for Advisory Services to ERISA Accounts

Fees charged for services to ERISA accounts are paid by the 401k plan sponsor or pulled from the plan participants’ accounts. This is decided by the plan sponsor. Fees will be pulled as indicated on the Total Clarity ERISA Advisory Services Agreement. If the fees are paid by the plan sponsor, an invoice will be sent each month or each quarter (dependent on the agreement) to the plan sponsor for one-twelfth or one-fourth the annual fee. Fees will be billed beginning as of the effective date shown on the plan Agreement or later and are billed in arrears.

Total Clarity does not have a standard fee schedule for ERISA Advisory Services. Fees are set in the initial agreement and are a flat annual fee based on an estimate of the number of hours required to provide services to the plan. The maximum allowable fee is \$6,000 annually, if assets within the Plan are less than

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\$500,000; for all other accounts, the fee will not exceed 2% of the total assets in the plan at the time of the Plan review. A flat fee is a specific dollar amount that you as the client will pay for consulting services. Fees are paid for in arrears, payable on a quarterly basis. This means that a Plan's fees pay for services that the Plan received in the ERISA Advisory Services Program in the prior quarter. Fees are to be paid from Plan assets or by check. If fees will be paid from Plan assets, the Plan authorizes the Plan Custodian to calculate the appropriate fee using the following calculation:

$\text{Annual fee} \times \# \text{ days in quarter} / 365 = \text{quarterly fee}$. The quarterly fee per account will then be determined by its % of the total Plan assets and will be charged an amount equal to $(\text{Amount of fee per period} \times \% \text{ of value of Plan assets} / 100)$. So those with a higher balance will pay a higher amount than those with a smaller account value. The quarterly fee will be charged on this pro-rata basis across all of the plan participants based on the account value at the end of the quarter.

Under the executed Advisory Agreement, the fee is debited from Plan assets and forwarded to Total Clarity for payment to the Advisor. It is the Plan's responsibility to verify the accuracy of fee calculations made by the Plan Custodian. The value of Plan assets for fee calculation purposes will be as reported by the Plan Custodian.

Total Clarity will receive 10% of the total annual fee per plan with a minimum of \$5,000 total per advisor per year. The Advisory Representative's supervisor or branch manager receives up to 10% of the remaining fee, and the IAR will then receive the balance of the fee. Fees will be reviewed annually with the Plan Sponsor or Investment Committee. Any changes to the fees charged must be approved by the Plan Investment Committee or the Plan Sponsor.

Termination Provisions for Services to ERISA Accounts

You may terminate advisory services for ERISA accounts without penalty within five (5) business days of the date of the Agreement. Either party may terminate the Agreement with a 30-days written notice to the other parties without penalty. Total Clarity will discontinue billing after the date specified in the termination notice even if the assets are still at the custodian, but Total Clarity and our Advisory Representatives have no fiduciary responsibilities once the Total Clarity Agreement has been terminated.

Fees for Financial Planning Services

Fees charged for planning services are separate and unrelated to fees and/or commissions for additional services that are obtained, such as asset management or products purchased (e.g. securities or insurance).

We offer advisory services on an hourly and/or fixed fee basis. Planning fees are negotiated at the discretion of your Advisory Representative and are based on an hourly rate or a fixed flat fee agreed upon prior to initiating services. Your specific rate will be stated in your agreement but will not exceed \$500/hour. Fixed fees will range from \$250 to \$5,000. Your fees will be dependent on several factors including the amount of time spent with your Total Clarity adviser, the number of meetings and complexity of your situation, the amount of research involved, the services requested and/or staff resources utilized.

Hourly and fixed fees will be billed to you directly and are due upon completion of the Plan Delivery Form. Generally, one half (1/2) of the fixed fee is payable at the signing of the Client Agreement with the remaining payable at the completion of the project.

Special Projects

Due to the flexible nature of special project services, your Advisory Representative will work with you to determine your fee on a per project basis. It will be outlined in detail in your Advisory Services Agreement.

Termination Provisions for Financial Planning Services and Special Projects

You may terminate special project or financial planning services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, you may terminate upon our receipt of your written notice to terminate. You will be responsible for any time spent by Total Clarity in providing advisory services or analyzing your situation. You will receive a refund of any unearned, pre-paid advisory fees for planning services within 30 days of the termination request.

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 Vision and Value Accounts and \$100,000 for PreActive Accounts. Accounts below these minimums are accepted on an individual basis at our discretion. Such circumstances include, but are not 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 will suffer due to difficulties with diversification of assets and risk controls being compromised. Only sophisticated investors with over \$1M in adjusted Net Worth (excluding their primary residence) or an income of \$200,000/year will be allowed to open PreActive accounts only 50% or less of their liquid Net Worth can be invested in PreActive accounts due to their increased volatility and risk.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

8 A. Total Clarity's Advisory Representatives (IARs) 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.

As previously stated under Item 4, IARs are independent contractors of Total Clarity and each IAR has their own method of analysis and philosophy of management. There is no one method or analysis that can predict future market events or will prevent loss. The experience and level of education of IARs varies and the type of management style varies. Therefore, investment performance and asset

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allocations will vary. Some IARs use software and investment analyzing tools that include projections of returns based on historical information and speculate future tax, educational expense, social security, etc. conditions, payments, and costs. These systems are a guideline only and cannot be relied upon to provide complete accuracy or assurances. Your account can also be based on a portfolio model provided through the custodian. These models have the ability to be modified by your Advisory Representative who can use the model for a portion of the account or for all of the account. These models are a guideline and are managed by a third party, but your Advisory Representative is the one who makes all decisions and trades. No third party model manager has access to your account or information and can not make trades for your account. Internal costs for the holdings in these model portfolios could be higher than for other available mutual funds or ETFs.

PreActive accounts are all managed by the same Advisory Representative. He uses various tools to manage the PreActive accounts, including augmented intelligence (a proprietary algorithm) that looks at fundamental factors of stocks such as the balance sheet, income statement and money flow of a company vs the market. It also looks at pricing trends and historical returns. Please refer to the PreActive Brochure for more information on the investment strategies used for these accounts.

Investment strategies are also used by IARs to strive 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. However, it cannot prevent or insulate a portfolio from market fluctuations or risk.

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 possible 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 are used in our advisory programs and have risks unique to that particular investment:

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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 could 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 are 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 use in client portfolios:

<u>Mutual Funds:</u>	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 are also used in some Total Clarity accounts.
<u>Interval Funds:</u>	These are a type of mutual fund product that traditionally invests in real estate. Interval Funds have limited liquidity and could have periods of no liquidity. 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 are 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.
<u>Equity Securities</u>	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.

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<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 possibility 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>The shares of an ETF commonly represent an interest in a portfolio of securities that track an underlying benchmark or index. A leveraged ETF generally seeks to deliver multiples of the daily performance of the index or benchmark that it tracks. An inverse ETF generally seeks to deliver the opposite of the daily performance of the index or benchmark that it tracks. Inverse ETFs often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some ETFs are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse ETFs use a range of investment strategies, including swaps, futures contracts and other derivative instruments.</p> <p>ETFs (including leveraged, inverse, and leveraged inverse) trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day. Also, since most ETFs only mirror a market index, such as the S&P 500, they won't outperform the index. A significant amount of principal could be lost in these securities rapidly and tax laws could change and affect the tax treatment of this investment.</p> <p>Traditional ETFs are generally not actively managed. This means that securities in the portfolio will not be purchased or sold in attempt to take advantage of changing market conditions. A traditional ETF continues to hold securities even though their market value and dividend yields have changed. An ETF generally carries the same investment risk as the portfolio of securities within the ETF. Securities in a portfolio can depreciate, and the ETF does not achieve its intended objective. In addition, each ETF is subject to specific risks that vary depending on each ETF's investment objectives and portfolio composition. Additionally, while premiums and discounts from net asset value ("NAV") are generally small among ETFs, there is a risk for severe dislocation from NAV.</p> <p>The use of leverage in an investment portfolio can magnify any price movements, resulting in high volatility and significant loss of principal. ETFs do not track the underlying Index due to imperfect correlation between the ETF's portfolio securities and those in the underlying Index, rounding prices, changes to the underlying Index and regulatory requirements. This risk is heightened during times of increased market volatility or other unusual market conditions. Tracking error also results because the ETF incurs fees and expenses while the underlying Index does not.</p> <p>Non-traditional ETFs, including leveraged and inverse ETFs, are not suitable for most investors. Non-traditional ETFs are trading vehicles in which daily</p>

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<p><u>Exchange-Traded Funds (ETFs)</u> <u>(continued)</u></p>	<p>rebalancing and market volatility have a significant impact on the realized return. The effects of mathematical compounding can grow significantly over time, leading to scenarios whereby performance over the long run can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. Leveraged, inverse, and leveraged inverse ETFs are more volatile and riskier than traditional ETFs due to their exposure to leverage and derivatives, particularly total return swaps and futures. In addition, these instruments are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis. Holding leveraged, inverse, and leveraged inverse ETFs for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Non-traditional ETFs are volatile and not suitable for all investors. Positions in non-traditional ETFs should be monitored closely due to their volatile nature and inability to track the underlying index over an extended period of time. Non-traditional ETFs are not intended to be held long term. ETFs over a period longer than one day can differ significantly from their stated performance objectives.</p> <p>Some ETFs are thinly traded which could impact the ability to sell shares quickly. Non-traditional ETFs and futures-linked ETFs enter into total return swaps with a counter party. If the counterparty becomes unable to deliver its share of the contract, it will default on the swap, therefore negatively affecting the value of the non-traditional ETF.</p>
<p><u>Alternative Investments:</u></p>	<p>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 (can 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 can be at more or less than the original amount invested. As a result, they are not suitable for all investors. A prospectus that discloses all risks, fees and expenses, and risk factors, will be provided by 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 greater and substantially different than those associated with traditional equity or fixed income investments. The products are risky and for sophisticated investors only who meet qualified investor requirements. Further, these products are sold on a commission basis through a broker/dealer. Therefore, IARs will receive commissions and such commissions are higher than other securities products. This is a conflict of interest. To mitigate this conflict of interest we are informing you of this information and encourage you to read offering memorandums.</p>
<p><u>Variable Annuities:</u></p>	<p>For variable annuities held within Total Clarity accounts, your variable annuity contract has exclusions, limitations, reductions of benefits and terms under which the contract will 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 values will fluctuate with changes in market conditions. As stated above, variable products are complex products with higher costs. Further, variable products pay higher commissions than other securities products. This creates a conflict of interest. To mitigate this conflict</p>

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<p><u><i>Variable Annuities:</i></u> (continued)</p>	<p>of interest we only allow advisory class Variable Annuities to be held in Total Clarity accounts. These variable annuities do not pay commissions to your Advisory Representative, but Variable Annuities purchased outside of your Total Clarity agreement through your Advisory Representative do pay higher commissions than other security products. This creates a conflict of interest for your IAR to sell you a Variable Annuity that is not part of your Total Clarity account. To mitigate this conflict of interest we encourage you to read the offering memorandum for any variable annuity you purchase and are informing you of this information.</p>
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Item 9 - DISCIPLINARY INFORMATION

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.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

10 A& B. 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. 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 refer clients to EATA, which results in a conflict of interest, whereby an owner 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. Please refer to Item 12 for a discussion of the benefits Total Clarity receives from LPL and the conflicts of interest associated with a receipt of such benefits.

10 C. As previously stated in Item 5E, most of the Advisory Representatives are dually registered as Advisory Representatives of Total Clarity and as Registered Representatives of LPL Financial. 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 sometimes are 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 potential for obtaining a higher pay-out on commissions earned. Additionally, two of our Advisory Representatives are also Advisory Representatives with LPL. This is only allowed under limited exceptions. Due to these relationships with LPL, LPL Financial will have access to certain confidential information such as financial information, investment objectives, transactions and holdings, about Total Clarity's clients, even if the client does not establish an account through LPL. If you would like a copy of the LPL Financial Privacy Policy, please contact Total Clarity's Home office at 630-587-9843.

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It is important to understand investment advisers have a fiduciary obligation to provide advice and services through the investment adviser that are in the best interest of the client. However, when advisory representatives act in the capacity of a registered representative, their obligation is to make recommendations and conduct transactions that are suitable to you but are not necessarily be in your best interest.

Under the rules and regulations of the 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 this supervisory function, LPL will receive a portion of the transaction fees previously mentioned, for trades done in accounts custodied at LPL, however they also receive a portion of our advisory fees from our clients' accounts that are custodied at TD Ameritrade Institutional. TD Ameritrade, LPL and Total Clarity are separate entities and are not affiliated.

Advisory Representatives are licensed with various insurance companies. This is a 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 attempts to mitigate the conflicts of interest relating to the receipt of commissions by providing you with these disclosures. As a Registered Representative with LPL, Advisory Representatives are subject to a supervisory structure at LPL for all securities business.

10 D. Total Clarity does not recommend the services of a Third Party Manager or other investment advisers.

Item 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

11 A. 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. Also, we strive to handle your non-public information in such a way to protect information from falling into the hands of anyone who has no business reason to know such information. We provide you annually 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 violations 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.

11 B. Neither Total Clarity nor its associated persons recommends buys or sells for client accounts of any securities in which they have a material financial interest.

11 C. Total Clarity and its associated persons buy or sell securities identical to those securities recommended to you. Therefore, Total Clarity and/or its associated persons have an interest or position

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in certain securities that are also recommended and bought or sold to you. They will not put their interests before your interest. Neither Total Clarity nor any associated person will trade in such a way as to obtain a better price for themselves than for you or other clients. If such a trade did occur, the trade would be corrected so that both the client and the related person received the same price.

11 D. 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.

Item 12 - BROKERAGE PRACTICES

12 A. As previously stated, most Advisory Representatives are Registered Representatives of LPL. As a result they are subject to FINRA Conduct Rule 3040 which restricts them from conducting securities transactions away from LPL unless LPL provides them with written authorization.

You are advised that not all investment advisers require you to maintain accounts at a specific broker/dealer. You are also advised that you can maintain accounts at another broker/dealer. However, the services provided by Total Clarity will then be limited to advice only and will not include implementation. If you select another brokerage firm for custodial and/or brokerage services you will not be able to receive asset management services from Total Clarity.

In initially selecting LPL and TD Ameritrade, Total Clarity conducted due diligence. Our evaluation and criteria included LPL's and TD Ameritrade's ability to service you, their staying power as a company, their industry reputation, their ability to report to you and to us, the trading platform used, the products and services available, and their technology and educational resources.

Periodically, we will review alternative broker/dealers and custodians in the marketplace to ensure LPL and TD Ameritrade are meeting our duty to provide best execution for your accounts. The review will include a comparison between TD Ameritrade and LPL, which involves evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution by TD Ameritrade and by LPL will be reviewed through quarterly trade execution evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian and B/D.

Additionally, product sponsors such as variable annuity and investment companies which are recommended to you from time to time provide support to Total Clarity and our Advisory Representatives. Such support includes research, educational information, and monetary support for due diligence trips and client events.

LPL covers 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 we will receive rather than your best interest.

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LPL has a wide range of approved securities products for which they perform due diligence prior to selection. As LPL Registered Representatives, we are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products vary between Broker/Dealers and therefore could be higher or lower than commissions you would be able to obtain if transactions were implemented through another Broker/Dealer. LPL also provides our Advisory Representatives, and therefore Total Clarity, with back-office operational, technology, and other administrative support. Other services include consulting, publications and conferences on practice management, information technology, business succession planning, regulatory compliance and marketing. Such services are intended to help us and our Advisory Representatives manage and further develop our business enterprise.

TD Ameritrade as well as LPL also makes available to Total Clarity other products and services that benefit Total Clarity but do not directly benefit you. Some of these other products and services assist Total Clarity with managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of Total Clarity's fees from your accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services are used to service all or a substantial number of our accounts.

Both LPL and TD Ameritrade also make available to Total Clarity other services intended to help Total Clarity manage and further develop its business. These support services and/or products will be provided without cost, at a discount, and/or a negotiated rate, and include practice management-related publications, consulting services, attendance at conferences and seminars, meetings, and other educational and/or social events or marketing support; and other products and services used by Total Clarity in furtherance of the operation and development of its investment advisory business. Total Clarity also receives discounts on compliance, marketing, technology, and practice management products or services provided to the firm through third party vendors. These benefits do not depend on the amount of brokerage transactions directed to TD Ameritrade or LPL financial.

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 is based on the amount of advisory assets custodied at each of these platforms.

12 B. With Total Clarity Vision, Value and PreActive Accounts, trades at times will be made using "order blasting", or block trading, an aggregate order of one security for several accounts at once at the

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discretion of the IAR. This results in an average price/share for all accounts included in the trade. Aggregated orders will not reduce the transaction costs to participating clients. We conduct aggregated transactions (order blasts) in a manner designed to ensure that no participating client is favored over another client. If the aggregate order is not filled in its entirety when possible, securities purchased or sold in an aggregated transaction will be allocated pro-rata to the participating client accounts in proportion to the size of the orders placed for each account. Under certain circumstances, the amount of securities will be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients. Not all Advisory Representatives have the ability to utilize “order blasting” and this type of trading can only be considered for accounts in which discretionary authorization has been given to Total Clarity and your Advisory Representative.

Item 13 - REVIEW OF ACCOUNTS

13 A. If you are participating in any of the Asset Management Programs, your accounts will be reviewed at least quarterly by your Advisory Representative and you will be contacted not less than annually or as agreed by you and your Advisory Representative for a review meeting. You can request more frequent reviews and set thresholds for triggering events that would cause a review to take place. 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 would 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. Accounts are also randomly reviewed by the CCO or the designee for suitability to your goals, objectives, risk tolerance, and time horizon.

13 B. Your Advisory Representative will monitor your accounts for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

13 C. You will be provided statements, for both qualified and non-qualified accounts, at least quarterly directly from LPL or from TD Ameritrade, depending on where your account is held. Additionally, you will receive confirmations of all transactions occurring in both qualified and non-qualified accounts directly from LPL or from TD Ameritrade. Total Clarity provides a report each 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.

For 529 accounts held directly at the mutual fund company, you will receive custodial statements in accordance with their reporting schedule.

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

13 D. If you are participating solely in Financial Planning Services you will not receive regular reviews. Total Clarity recommends you have at least an annual review and an update to any plans; however, the time and frequency of the reviews is solely your decision. Additionally, you will be charged review fees based on the Financial Planning Agreement you signed. Other than the initial plan or analysis, there will be no other reports issued unless you have an on-going agreement.

Item 14 -CLIENT REFERRALS AND OTHER COMPENSATION

14 A. Product vendors recommended by Total Clarity provide monetary and non-monetary assistance with client events in addition to providing educational tools and resources. We do not select products as a result of any monetary or non-monetary assistance. The suitability and quality of a product is of first and foremost importance. Total Clarity's due diligence of a product does not take into consideration any assistance it receives.

In their role as Registered Representatives of LPL Financial, our Advisory Representatives will earn commissions. The amount of commissions paid by LPL to the Representative will fluctuate based on overall production. Therefore, the more business placed by them through LPL will enable them to reach another threshold and earn a higher payout.

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at the prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at the prior firm and/or assets under custody on the LPL Financial. There is a conflict of interest for representatives to select a broker/dealer based on the amount of transition assistance to be received. Furthermore, LPL Financial provides the transition assistance in the form of a forgivable note. The transition assistance dollars are forgiven over a five year period based on the representative remaining with LPL Financial. Therefore, there is a conflict of interest for the representative to remain with LPL Financial when it is not in the best interests for clients because of the forgivable note period having not expired.

Additionally, owners of Total Clarity received compensation from LPL Financial for total assets placed with LPL and has been provided to the owners in the form of a forgivable note that is forgiven over a period of five years. This is a conflict of interest since it encourages the owners to influence their representatives to move assets to LPL Financial and to remain registered with LPL for a period of five years.

LPL Financial also rewards representatives for achieving production thresholds by covering expenses to various conferences and offering award conferences. This is considered a conflict of interest.

Total Clarity also received from TD Ameritrade certain additional benefits ("Additional Service") that are not offered to some other independent investment Advisors participating in the program. Specifically, the Additional Services include economic assistance covering the cost for Morningstar Office to download and reconcile transactions in the firm's clients' accounts. TD Ameritrade provides

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the Additional Services to Total Clarity in its sole discretion and at its own expense, and Total Clarity does not pay any fees to TD Ameritrade for these services. Total Clarity and TD Ameritrade have entered into a separate agreement to govern the terms of the provision of the Additional Services.

Total Clarity's receipt of Additional Services raises conflicts of interest. In providing Additional Services to Total Clarity, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Total Clarity's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Total Clarity, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Total Clarity has an incentive to recommend to its Clients that the assets under management be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Total Clarity's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

Total Clarity and your Advisory Representative attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL or TD Ameritrade services based on the benefits that each service provides to their clients, rather than to the Transition Assistance or Additional Services earned by them. We also try to mitigate these risks by having multiple choices in where to custody your accounts. Lastly to help 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

14 B. 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 client business to Total Clarity.

Item 15 – CUSTODY

With the exception of

- the deduction of Total Clarity's advisory fees from your accounts; or
- providing Total Clarity or your advisory representative the authority to facilitate transfers on your behalf upon your request to a third party (third party transfers or standing letters of authorization),

Total Clarity does not take custody of your funds or securities. As noted under Item 13C, you should compare the statement we provide you with your TD Ameritrade statement, or your LPL statement, or the mutual fund or variable annuity company statement (directly held Variable Annuities and 529 accounts only.)

Item 16 - INVESTMENT DISCRETION

You will grant Total Clarity authorization to manage your account on a discretionary basis. Discretionary authority will give Total Clarity the authority to buy, sell, exchange and convert securities in your managed accounts or to engage, disengage, or reallocate assets to third party managers. You will grant such authority to Total Clarity by execution of the Asset Management agreement. You are

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able to terminate discretionary authorization at any time upon receipt of written notice by Total Clarity, but this will result in the closing of the account since discretion is required by our custodians to be able to trade in an account.

Discretionary authority will be limited to Total Clarity having the authority to determine the securities to be bought or sold for a client's account, the amount of securities to be bought or sold for a client's account, or the third-party managers to which assets are allocated for management.

Additionally, you are advised that:

- 1) You are able set parameters with respect to when an account should be rebalanced and set trading restrictions or limitations;
- 2) Your written consent is required to establish any mutual fund, variable annuity, or brokerage accounts;
- 3) If you elect to implement recommendations through your Advisory Representative, we require the use of LPL Financial or TD Ameritrade
- 4) We will not have the ability to withdraw your funds or securities from your account, except for the deduction of Total Clarity's advisory fees or if you have authorized automatic deductions.

Item 17 - VOTING CLIENT SECURITIES

Total Clarity does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You can contact your Advisory Representative about questions you have and opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

Item 18 - FINANCIAL INFORMATION

18 A. 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.

18 B. 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 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.

18 C. Neither Total Clarity nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.

Item 19 - REQUIREMENTS FOR STATE REGISTERED ADVISERS

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