

SECTION 1

Request Information and Exception Type

Purpose: Document the evaluation and approval of brokerage business when the advisor believes a brokerage solution is more appropriate for the client than the advisory alternatives available through Lifestyle Wealth. Complete all applicable fields. Do not transact until required approvals are received.

REQUEST INFORMATION

Advisor name

Office

Date submitted

Client / household

Client / household ID

Account registration

Approximate account value

Expected transaction date

Proposed broker-dealer

Proposed product / account

☐ New client☐ Existing legacy assets☐ Existing client☐ Time-sensitive request☐ New assets

If time-sensitive, explain the deadline and consequence of delay

TYPE OF EXCEPTION REQUESTED - SELECT ONE OR MORE

☐ New brokerage account☐ Product or investment unavailable through the RIA☐ Additional business in an existing brokerage account☐ Temporary exception pending an RIA solution☐ Retention of legacy brokerage assets☐ Other☐ Replacement or exchange of an existing product

If other, describe

SECTION 2

Client Circumstances and Needs

Document the client-specific circumstances relevant to the account-type and product recommendation.

CLIENT PROFILE

Investment objective

Risk tolerance

Investment time horizon

Liquidity needs

Tax considerations

Age and anticipated life events

Investment experience

Other investments, accounts, and relevant financial circumstances

EXPECTED RELATIONSHIP AND SERVICES

☐ Expected trading frequency☐ Expected holding period☐ Ongoing portfolio monitoring needed☐ Transaction-specific assistance preferred☐ Ongoing portfolio monitoring not needed☐ Guarantee, income feature, or protection required☐ Financial planning or continuing advice needed☐ Client prefers transaction-based compensation

Explain the client's requested services, preferences, and any special needs

SECTION 3

Reason for Exception and Best-Interest Rationale

Select all applicable reasons. Advisor comfort, habit, convenience, compensation, or lack of familiarity with RIA alternatives is not sufficient by itself.

REASON FOR REQUEST

- | | |
|---|--|
| ☐ Required investment is unavailable through the RIA | ☐ RIA cannot accommodate the account or investment |
| ☐ Client needs transaction-based service | ☐ Client declines advisory service after comparison |
| ☐ Infrequent trading makes brokerage lower cost | ☐ Account does not meet RIA platform requirements |
| ☐ Conversion causes tax, surrender, or lost benefits | ☐ BD solution has a material feature unavailable in RIA |
| ☐ Security cannot transfer to or be managed in RIA | ☐ Other client-specific reason |

If other, describe

REQUIRED RATIONALE

Explain specifically why the proposed brokerage solution is more appropriate for this client than the available advisory alternatives

What is the likely consequence to the client if this exception is not approved?

SECTION 4

Proposed Brokerage Solution

Describe the complete economic relationship, including initial and ongoing costs, compensation, limitations, and conflicts.

SOLUTION DETAILS

Brokerage account type

Investment / product

Investment amount

Expected holding period

Expected transaction frequency

How does this product or strategy address the client's need?

COSTS AND COMPENSATION

Commission / sales charge

Ongoing trails

Product expenses

Transaction / account charges

Advisor compensation

Firm compensation

Explain cost assumptions and any other direct or indirect compensation

RISKS, RESTRICTIONS, BENEFITS, AND CONFLICTS

Material risks, surrender periods, liquidity restrictions, guarantees, special benefits, conflicts, and product limitations

SECTION 5

Advisory Alternatives Considered

Compare the proposed brokerage solution with the most reasonable advisory alternative. Use reasonable assumptions over the anticipated relationship period.

SIDE-BY-SIDE COMPARISON

PROPOSED BROKERAGE SOLUTION		RIA ALTERNATIVE
Product / strategy		
Services provided		
Ongoing monitoring		
Initial cost		
Estimated annual cost		
Product expenses		
Liquidity restrictions		
Guarantees / benefits		
Tax consequences		
Advisor / firm compensation		

What advisory alternatives were evaluated, and why was each rejected?

SECTION 6

Conversion Consequences and Advisor Consultation

CONVERSION OR REPLACEMENT CONSEQUENCES

- ☐ Potential taxable event
- ☐ Surrender charge
- ☐ Loss of guarantees
- ☐ Loss of income or death-benefit base
- ☐ Loss of favorable pricing or share-class treatment
- ☐ Investment is not transferable
- ☐ Liquidation during unfavorable market conditions
- ☐ Additional trading or transaction costs
- ☐ Holding period, lockup, penalty, or market-value adjustment
- ☐ Product-specific replacement or exchange requirements
- ☐ Advisory fee would apply with little ongoing management
- ☐ None identified

Explain all applicable conversion, retention, replacement, tax, cost, or benefit consequences

CONSULTATION AND EDUCATION

Consultation date

Participants

- ☐ RIA conversion resource consulted
- ☐ Investment / product resource consulted
- ☐ Compliance consulted
- ☐ No consultation - explain below

Alternatives discussed, education provided, RIA solution identified, and any remaining reason for the exception

Does this request identify a product, training, process, or platform gap the firm should address?

SECTION 7

Client Communication and Advisor Attestation

CLIENT COMMUNICATION CONFIRMATIONS

- | | |
|--|--|
| ☐ Brokerage and advisory relationships were explained clearly | ☐ Limitations, risks, and liquidity restrictions were explained |
| ☐ Advisor capacity was explained | ☐ Form CRS and other required disclosures were delivered |
| ☐ Fees and costs were compared | ☐ Client was given an opportunity to ask questions |
| ☐ Services and monitoring differences were explained | ☐ No transaction will occur until required approvals are received |
| ☐ Material conflicts were disclosed | |

Additional client communication notes or required disclosures

ADVISOR ATTESTATION

I have evaluated the client's investment profile, needs, requested services, reasonably available account types, costs, features, risks, limitations, and conflicts of interest. Based upon that evaluation, I reasonably believe the proposed brokerage solution is in the client's best interest and that the client's interests are not being placed behind my interests, the firm's interests, compensation considerations, convenience, or familiarity with the brokerage platform. The information submitted is complete and accurate to the best of my knowledge.

Advisor signature (typed)

Date

Supervising principal signature (typed), if applicable

Date

Advisor additional notes

SECTION 8

Review and Decision

CCO DECISION

☐ CCO Approved☐ CCO Denied

CCO Initials