

# **CUSTOMER RELATIONSHIP SUMMARY**

12/11/2020

## **ITEM 1. INTRODUCTION**

Orchard Advisors LLC is registered as an Investment Advisor with the SEC. All the Investment Advisory Services and Fees charged to customers differ and it is important that the Retail Investor understand these differences. You can access more information along with free and simple tools to research Investment Firms, Investment Advisers and financial professional at [www.investor.gov/crs](http://www.investor.gov/crs).

## **ITEM 2. RELATIONSHIPS AND SERVICES**

### ***"What investment services and advice can you provide me?"***

Orchard Advisors services include active portfolio management, investment holdings reviews and financial goals reviews. We offer these services for accounts, including but not limited to Individual, Joint, Corporate, Trust, Custodial, and Individual Retirement Accounts (Roth-Rollover IRA-SEP-Traditional IRA's). Retail Investor portfolios are managed on a limited discretionary basis which is granted via a detailed Investment Policy Statement that is individually crafted with each Retail Investor. Orchard Advisors does not utilize proprietary or structured products. All investments are made via securities registered on the primary regulated United States financial exchanges (i.e. New York Stock Exchange, NASDAQ Exchange, etc.).

**ADDITIONAL INFORMATION:** Orchard Advisors provides the following services to retail investors:

**Portfolio Management-** After consulting with each retail investor, Orchard Advisors constructs an Investment Policy Statement which outlines the retail investor's investment objectives, life circumstances, risk tolerance, tax bracket and time horizon. Orchard Advisors requires limited discretionary authority to select securities/investments and affects only buy and sell transactions on each retail investor's behalf.

**Investment Consulting-**Is a service to retail investors based on an hourly fee rate (negotiable). This service will review a client's investment holdings, financial goals, time horizon, risk tolerance, tax bracket and life circumstances.

**Investment Advisory Services for Retail Investor Qualified Retirement Plans-**Provides retail customers with a review of their holdings within a qualified retirement plan. This objective of this services is to help assure that the holdings within a plan are coordinated with retail investor's other holdings and investment goals.

**NOTE:** For all services mentioned above, Orchard Advisors sets out to help establish each retail investor's risk tolerance, investment horizon and investment objectives.

**\*\*WHEN SEEKING HELP WITH YOUR FINANCIAL FUTURE, RETAIL INVESTORS MAY WANT TO CONSIDER ASKING A FINANCIAL PROFESSIONAL THE FOLLOWING QUESTIONS ABOUT RELATIONSHIPS AND SERVICES:**

-*"Given my financial situation, should I choose an investment advisory service? Why or why not?"*

-*"How will you choose investments to recommend to me?" - "What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?" - "Do you utilize third parties to manage my assets? If so, who and why?"*

-*"What are the additional costs of the investments you are recommending?" Are there other similar investment options with lower costs?" - "Do you utilize proprietary products? What are the costs and restrictions of those products?" - "Who will be the custodian of my assets? What are their costs?"*

## **ITEM 3. FEES, COSTS, CONFLICTS AND STANDARD OF CONDUCT**

### ***"WHAT FEES WILL I PAY?"***

Orchard Advisors charges a fixed annual fee, which is a percent of the retail investor's portfolio value. That fee is calculated and deducted daily by the custodian, Interactive Brokers, based on the closing daily value of the portfolio. Interactive Brokers executes all trades and charges a fixed fee of \$0.005 per share (1/2 a cent). As an advisory client of Orchard Advisors, Interactive Brokers does not charge account maintenance fees. Orchard Advisors does not utilize any structured products (such as Mutual Funds, Variable Annuities, etc.). As a retail investor's account value increases, the investment advisory fee charged will increase. As the retail investor account value decreases, the investment advisory fee will decrease. Additionally, as a retail investor's account appreciates in value, the percentage rate fee may decline based on Orchard Advisor's fee schedule (noted below). **A retail investor's account will incur fees whether you make or lose money on your investments.** Fees and costs will reduce any amount you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**\*\*UNDERSTANDING THE IMPACT OF FEES AND COSTS ON INVESTMENTS-**Be sure to ask a financial professional the impact of fees and costs on investments.

-*"Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?"*

***--“How can I reduce the fees and costs of my investments? Are there lower cost alternatives?”***

Orchard Advisor’s annual fee schedule for the amount of retail investors assets managed is noted below.

Account values from: \$0-300,000 =1.5%; \$300,000-\$600,000 =1%; \$601-000-\$900,000 =0.80%;  
\$901-\$2,000,000 =0.60%; Over \$2,000,000 =0.50% (Note: Fees are Negotiable depending on circumstance)

**NOTE:** Advisory Fees charged to all retail investors are negotiable depending on circumstances.

**NOTE:** Orchard Advisors does NOT participate in Wrap Fee Programs.

**Investment Advisory Annual Fees for Qualified Retirement Plans:**

Plan Asset value from: \$0-\$1,500,000 =0.50%; From \$1,500,001-\$3,500,000 =0.40%; Over \$3,500,001=0.35%

**NOTE:** Over \$3,500,000 in plan assets, fees may vary based on number of participants in the plan.

**\*\*BE SURE TO ASK YOUR INVESTMENT PROFESSIONAL:**

***“WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISOR?”***

Orchard Advisors has a legal and fiduciary responsibility to conduct itself for the best interest of the retail investor.

***“HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?”***

Orchard Advisors sole source of compensation is the agreed upon fee it charges retail investors for managing their account. Orchard Advisors has no conflicts of interest with its clients.

**STANDARD OF CONDUCT**

*“When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.”*

The only potential appearance of a conflict of interest is that as a retail investor’s account appreciates in value, the fees received by Orchard Advisors will increase.

**\*\*Be sure to ask your Investment Professional questions such as:**

*--“How might your conflicts of interest affect me and how will you address them?”*

***“HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?”***

Orchard Advisor’s compensation is an annual percentage of the value of a client’s account (calculated daily). This fee is reviewed and agreed upon within the Advisory Agreement and that fee schedule has been noted above in this summary. There are no other forms of compensation which Orchard Advisors receives.

**DISCIPLINARY HISTORY**

***“Do you or your financial professionals have legal or disciplinary history?”***

**No.** Orchard Advisors is required to disclose any legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management.

**Criminal or Civil Actions-**Orchard Advisors personnel have no reportable criminal or civil events to disclose.

**Administrative Proceedings-**Orchard Advisors personnel have no administrative proceedings to disclose.

**Self-Regulatory Organization (SRO) Proceedings-**Orchard Advisors personnel have no Self-Regulatory Organization proceedings to disclose.

Retail Investors can visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research you and your financial professionals.

**BE SURE TO ASK YOUR FINANCIAL PROFESSIONAL**

***--“As a financial professional, do you have any disciplinary history? For what type of conduct?”***

**ADDITIONAL INFORMATION:** A retail investor can find additional information about your brokerage or investment advisory services and request a copy of the relationship summary at [Investor.gov/CRS](http://Investor.gov/CRS) and [FINRA.org](http://FINRA.org). You can also contact the SEC Directly at 202-551-6999 and FINRA at 301-590-6500.

**CONTACTS FOR COMPLAINTS: --“Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”**

Should a retail investor have a complaint, a retail investor can visit the SEC (Securities and Exchange Commission) website at <https://www.sec.gov/complaint/select.shtml> or call 202-551-6999. A retail investor can also visit the FINRA website at <https://www.finra.org/investors/have-problem/file-complaint> or call 301-590-6500.