

## Item 1 – Cover Page

### **Northeast Advisory Group, LLC**

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570-343-0800

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Date of Disclosure Brochure: February 2024

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This disclosure brochure provides information about the qualifications and business practices of Northeast Advisory Group, LLC (also referred to as we, us and Northeast Advisory Group throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Susan L. Sariti at 570-343-0800 or [susan@neadvisorygroup.com](mailto:susan@neadvisorygroup.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Northeast Advisory Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Northeast Advisory Group, LLC or our firm's CRD number 287954.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last annual amendment filing in January 2023, we have made no material changes to this brochure.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Northeast Advisory Group is an investment adviser registered with the State of Pennsylvania and is a limited liability company (LLC) formed under the laws of the State of Pennsylvania.

- Susan L. Sariti is the Chief Compliance Officer (CCO) and Managing Member of Northeast Advisory Group. Susan L. Sariti owns 100.00% of Northeast Advisory Group. Full details of the education and business background of Susan L. Sariti are provided at *Item 19* of this Disclosure Brochure.
- Northeast Advisory Group's registration as an investment adviser was approved by the Commonwealth of Pennsylvania in June 2017.

### **Introduction**

The investment advisory services of Northeast Advisory Group are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Northeast Advisory Group (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Northeast Advisory Group. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Northeast Advisory Group before we can provide you the services described below.

### **Asset Management Services**

Northeast Advisory Group offers asset management services, which involves Northeast Advisory Group providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on your specified advisory account. Your advisory account consists only of a separate account held by a qualified custodian under your name. The qualified custodian maintains physical custody of all funds and securities of your advisory account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the account.

Your advisory account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor your account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your advisory account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and can give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we can buy, sell or recommend for any other clients or for our own accounts.

Conflicts can arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

### Consulting Services

We offer consultations as part of the firm's asset management services in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

Our consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our consulting recommendations.

### Referral to Third-Party Money Managers

Northeast Advisory Group may refer individual clients and retirement plan clients to third-party money managers offering asset management and other investment advisory services. The third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee charged and collected by the third-party money managers in the form of solicitor fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with applicable state securities rules and regulations.

Under this program, we assist you with identifying your risk tolerance and investment objectives. We recommend third-party money managers in relation to your stated investment objectives and risk tolerance, and you can select a recommended third-party money manager or model portfolio based upon your needs. You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services.

Northeast Advisory Group will answer questions that you have regarding your account and will communicate with you directly and act as the communication conduit between you and the third-party money manager. The third-party money manager may take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by the third-party money manager.

At this time, Northeast Advisory Group has an agreement with Brinker Capital for third-party management services. They have agreed to pay us a portion of the overall fee charged to our clients. Therefore, Northeast Advisory Group has a conflict of interest in that it will only recommend third-party management firms that will agree to compensate us for referrals of our clients.

Clients are advised that there can be other third-party managed programs not recommended by our firm, that are suitable for the client and that can be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm (*Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.*)

Prior to introducing Pennsylvania clients to another investment adviser ("IA"), Northeast Advisory Group will be responsible for determining whether the investment advisory firm is properly licensed, notice filed, or exempt from registration with the Department.

### **Retirement Plan Services**

Northeast Advisory Group offers retirement plan services to retirement plan sponsors. Our retirement plan services can include, but are not limited to, the following services:

#### **Fiduciary Management Services**

Northeast Advisory Group provides clients with the following Fiduciary Retirement Plan Management Services:

- **Discretionary Management Services.** Northeast Advisory Group will provide you with continuous and ongoing supervision over the designated retirement plan assets. Northeast Advisory Group will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with you. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.
- **Discretionary Investment Selection Services.** Northeast Advisory Group will monitor the investment options of the Plan and add or remove investment options for the Plan. Northeast Advisory Group will have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.
- **Default Investment Alternative Management.** Northeast Advisory Group may develop and actively manage qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election.

If you elect to utilize any of Northeast Advisory Group's Fiduciary Management Services, then Northeast Advisory Group will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and Northeast Advisory Group hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

#### **Non-Fiduciary Services**

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-

fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

Northeast Advisory Group provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. Northeast Advisory Group will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. Northeast Advisory Group’s assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. Northeast Advisory Group will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. Northeast Advisory Group will assist you with the establishment of a qualified plan by working with you and a selected Third-Party Administrator. If you have not already selected a Third- Party Administrator, we shall assist you with the review and selection of a Third-Party Administrator for the Plan.
- Due Diligence Review. Northeast Advisory Group will provide you with periodic due diligence reviews of your Plan’s fees and expenses and your Plan’s service providers.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client’s circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients’ responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, Northeast Advisory Group cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

Northeast Advisory Group will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

### **Retirement Plan to Rollover IRA**

Northeast Advisory Group and its representatives can earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, Northeast Advisory Group and its investment adviser representatives will not earn any investment advisory fee if client does not rollover the funds in the retirement plan. Thus, Northeast Advisory Group and its investment adviser representatives have an economic incentive to recommend a rollover of your retirement plan account, which is a conflict of interest. Northeast Advisory Group has taken steps to help manage this conflict of interest arising from rolling over funds from an Employee Retirement Income Security Act of 1974 as amended ("ERISA") covered retirement plan to an IRA. Northeast Advisory Group and its investment adviser representatives will (i) provide investment advice to ERISA covered retirement plan participants regarding a rollover of funds from the ERISA covered retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Northeast Advisory Group receiving unreasonable compensation related to the rollover of funds from the ERISA covered retirement plan to an IRA, and (iii) fully disclose compensation received by Northeast Advisory Group and its supervised persons and any material conflicts of interest related to Northeast Advisory Group recommending the rollover of funds from the ERISA covered retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent Northeast Advisory Group provides investment advice to a participant in a retirement plan under ERISA regarding 1) whether to maintain investments and/or proceeds in an ERISA retirement plan, 2) rollover such investment/proceeds from the ERISA retirement plan to an individual retirement account ("Rollover IRA account"), or 3) make a distribution from the ERISA retirement plan: Northeast Advisory Group hereby acknowledges its fiduciary obligations with regard to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA Retirement plans. As a fiduciary, with respect to our investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, Northeast Advisory Group and its representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing. Northeast Advisory Group and its representatives will conduct business based on your investment objectives, risk tolerance, financial circumstances and needs, without regard to personal or company self-interest.

### **No Participation in Wrap Fee Programs**

A wrap-fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management and/or advice concerning the selection of other investment advisers) and the execution of client transactions (ticket charges). We do not manage or sponsor a wrap fee program, even though we may refer a client to a third-party advisor that manages or sponsors wrap fee programs.



### **Educational Events**

Northeast Advisory Group may occasionally provide educational and informative seminars to clients and prospects in areas such as financial planning, retirement planning, estate planning, college planning, charitable planning and insurance planning. These events are always offered on an impersonal basis and do not focus on the individual needs of the participants.

### **Limits Advice to Certain Types of Investments**

Northeast Advisory Group provides investment advice on the following types of investments:

- Mutual Funds

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

Northeast Advisory Group's advisory services are always provided based on your individual needs. When providing consulting services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by Northeast Advisory Group**

Northeast Advisory Group had assets under management totaling \$45,314,853 as of December 1, 2023. \$13,716,082 are managed on a discretionary basis and \$31,598,771 are managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Northeast Advisory Group.

### Fees for Asset Management Services

If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

The asset management services continue in effect until terminated by either party (i.e., Northeast Advisory Group or you) by providing written notice of termination to the other party. When fees are billed in arrears, Northeast Advisory Group will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

For our asset management services, clients will be charged an annual fee calculated and billed quarterly in arrears based upon the amount of assets under management held on the last day of the quarter and the average daily net asset value of the client's assets invested in the Funds through the program during the quarter and divided by the number of days in the year multiplied by the number of days in the quarter. The following is our fee schedule:

<u>Account Size at Market Value</u>	<u>Advisory Fee</u>
\$0 - \$100,000	0.60%
\$100,001 - \$1,000,000,	0.50%
\$1,000,001 - \$2,000,000	0.45%
\$2,000,001 - \$3,000,000	0.40%
\$3,000,001 - \$4,000,000	0.35%
\$4,000,001 - \$5,000,000	0.30%
Over \$5,000,000	Subject to Quote

Fees charged for our asset management services are not negotiable. Fee calculations are not tiered or blended.

Northeast Advisory Group believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. Our firm will send you a billing statement prior to or at the same time that fee deduction instruction is sent to the qualified custodian(s) of your account. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage expenses and/or transaction fees charged by the qualified custodian are billed directly to you by the qualified custodian. Northeast Advisory Group does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you will incur certain charges imposed by third parties other than Northeast Advisory Group in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, IRA and

qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Northeast Advisory Group are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

### **Fees for Consulting Services**

Northeast Advisory Group does not charge a fee for consulting services. Consulting services are included in the firm's asset management services and are not offered as a separate service.

### **Fees for Referring Clients to Third-Party Money Managers**

Northeast Advisory Group will refer clients to third-party management firms for advisory services which are consistent with the client's individual objectives, risk tolerance and financial circumstances. The compensation received by Northeast Advisory Group will be based on the fee paid by the client to the third-party firm and may vary depending upon, among other things, the program in which the client's assets are invested and the fee negotiated between the third-party management firm and the client.

Third-party managers generally have account minimum requirements that will vary among third-party money managers. Account minimums are generally higher on fixed income accounts than for equity-based accounts. A complete description of the third-party money manager's services, fee schedules and account minimums will be disclosed in the third-party money manager's disclosure brochure which will be provided to you prior to or at the time an agreement for services is executed and the account is established.

The fee charged by Northeast Advisory Group ranges between 10 bps – 75 bps. The total fee charged to you will vary depending on the third-party money manager and the advisory platform/strategy utilized. However, your total fee, when utilizing a third-party manager, will not exceed 3% of assets under management. All fees are calculated and collected by the third-party money manager who will be responsible for delivering our portion of the fee paid by you to us.

Under this program, you may incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees.

We have a conflict of interest by only offering those third-party money managers that have agreed to pay a portion of their advisory fee to us and have met the conditions of our due diligence review. There may be other third-party money managers that may be suitable for you that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

### **Fees for Retirement Plan Services**

For retirement plan clients, Northeast Advisory Group will charge an annual fee for management services that is calculated as a percentage of the value of plan assets. This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested, the representative providing the services and the potential for additional deposits. Fees may be discounted by Northeast Advisory Group based upon facts and circumstances.

Northeast Advisory Group charges an annual fee based on the following Fee Schedule:

<b>Plan Assets at Market Value</b>	<b>Annual Fee</b>
0 to 1,000,000	0.60%
1,000,001 to 2,000,000	0.50%
2,000,001 to 3,000,000	0.45%
3,000,001 to 4,000,000	0.40%
4,000,001 to 5,000,000	0.30%
Over 5,000,000	Subject to quote

Retirement plan fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Fee calculations are not tiered or blended. Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Northeast Advisory Group. We will provide the custodian with a fee notification statement.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

Northeast Advisory Group does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Fees for Educational Events**

No fees are charged for educational events. However, if we are hired by larger groups, such as corporations, we reserve the right to charge fees to cover the expenses incurred by us for presenting the seminars. In this case, all fees and payment provisions will be fully disclosed to you prior to the event being presented.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

Northeast Advisory Group generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and Profit-Sharing Plans

You are required to execute a written agreement with Northeast Advisory Group specifying the particular advisory services in order to establish a client arrangement with Northeast Advisory Group.

### **Minimum Investment Amounts Required**

There are no minimum investment amounts or conditions required for establishing an account managed by Northeast Advisory Group. However, all clients are required to execute an agreement for services in order to establish a client arrangement with Northeast Advisory Group and/or the third-party money manager or the sponsor of third-party money manager platform.

Third-party money managers can have minimum account and minimum fee requirements in order to participate in their programs. Each-third party money manager will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

When Northeast Advisory Group recommends a third-party management firm, we do not formulate investment advice nor do we utilize specific methods of analysis or strategies or select individual investments or securities. In making recommendations of third-party management firms, Northeast Advisory Group focuses on firms that offer a range of investment strategies.

### **Investment Strategies**

When Northeast Advisory Group offers fiduciary management services to retirement plans and individual clients, our objective is to provide a wide range of investment opportunities in various asset classes in order to allow for diversification, cover a wide risk/return spectrum, and to mitigate the risk of large losses.

In selecting investment vehicles, we use mutual funds. As an investment advisor, we acknowledge our fiduciary status in writing.

We utilize a sophisticated, robust software system called Fi360 Fiduciary Score as a primary methodology in the selection and monitoring of funds. This software system is licensed to us by the Center for Fiduciary Studies, which is a Broadridge company and was developed on prudent practices for investment fiduciaries.

The scoring methodology evaluates investments on nine different criteria across a spectrum of quantitative data points to determine if a minimum standard of care is being met. It is a useful tool in our due diligence process in that it represents an objective means of comparing investments according to set criteria, but it is not intended as the sole source of information for reaching an investment decision. Other

software systems, seminars, and discussions with fund representatives may also be used to facilitate our research and decision process.

The Fi360 Fiduciary Score uses the following criteria to produce a peer percent ranking of a fund:

- Regulatory Oversight: The investment should be managed by a bank, trust company, insurance company, or a registered investment advisor.
- Minimum Track Record: The investment should have a least a three-year history so that performance statistics can be calculated.
- Stability of the Organization: The longest reported manager's tenure should be at least two years.
- Assets in the Investments: The investment should have at least \$75 Million under management.
- Composition Consistent with Asset Class: At least 80% of the investment's underlying securities should be consistent with the broad asset class.
- Style Consistency: The investment should be highly correlated to the peer group asset class of the investment option.
- Expense Fees Relative to Peers: The investment fees should not be in the bottom quartile (most expensive) of the peer group.
- Risk-Adjusted Performance Relative to Peers: The investments risk adjusted performance (Alpha and Sharpe Ratio) should be above the peer group median manager's risk adjusted performance. Broad asset class indexes are used to calculate Alpha.
- Performance Relative to Peers: The investment performance should be above the group's median manager return for the one year, three year, and five-year consecutive periods.

An annual due diligence process is performed for each discretionary client and reports summarizing our research are delivered to them. A more frequent due diligence process may be performed if deemed appropriate. All such reports are maintained indefinitely in an electronic file to demonstrate an on-going fiduciary process.

Different mutual fund categories have different risk characteristics and investors should not compare different categories. For example, a bond fund and a stock fund that both have below average risk still have different risk/return potential (stock funds traditionally have higher risk/return potential). Risks are based on the investments held in the fund. For example, a bond fund faces interest rate risk and income risk and income is affected by the change in interest rates. A sector fund (investing in a single industry) is at risk that its price will decline due to industry developments.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Northeast Advisory Group is unable to represent, guarantee, or even imply that services and methods of analysis used by Northeast Advisory Group and/or the third-party management firm we recommend can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or

declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Mutual Fund Risk – When investing in a mutual fund, you will bear additional expenses based on your pro rata share of the mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying securities the mutual fund holds.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

#### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Northeast Advisory Group is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives can sell other products or provide services outside of their role as investment adviser representatives with us.

Northeast Advisory Group has formed solicitor arrangements with third-party money managers. If you select third-party investment advisory firms to manage all or a portion of your assets based on my recommendation, the third-party management firms will pay Northeast Advisory Group a portion of the fee you are charged. All third-party money management firms that we recommend are properly registered as an investment advisor or exempt from registration in Pennsylvania.

Please refer to *Items 4 and 5* for details regarding the fees, conflicts of interest and material arrangements when Northeast Advisory Group recommends a third-party management firm. The third-party management firm you are referred to will discuss with you, in detail, the programs they offer to meet each client's investment needs.

### **Insurance Agent**

You can work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative can sell, for commissions, general disability insurance, life insurance, health insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, can suggest that you implement recommendations of Northeast Advisory Group by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transactions through your investment adviser representative.

As an insurance agent, Susan Sariti can pay a referral fee to an unaffiliated insurance agent for insurance client referrals only. No referral fees will be paid to any individual or entity under Northeast Advisory Group for advisory client referrals.

### **Northeast Benefit Administrators, LLC**

Northeast Benefit Administrators, LLC and Northeast Advisory Group, LLC are under common control. Susan Sariti, the managing member and sole owner of Northeast Advisory Group, LLC is also the sole owner of Northeast Benefit Administrators, LLC. Susan Sariti is compensated by the profits of Northeast Benefit Administrators. The receipt of this compensation affects the judgement of Susan Sariti and creates a conflict of interest when recommending insurance products to her clients. While Susan Sariti endeavors at all times to put the interest of her clients first as part of Northeast Advisory Group, LLC's overall fiduciary duty to clients, clients should be aware that the receipt of profits from Northeast Benefit Administrators, LLC itself creates a conflict of interest and can affect Susan Sariti's decision-making process when making recommendations. Clients are never obligated or required to purchase insurance products from or through Susan Sariti or Northeast Benefit Administrators, LLC.

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

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Northeast Advisory Group has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Northeast Advisory Group's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Northeast Advisory Group requires its supervised persons to consistently act in your best interest in all advisory activities. Northeast



Advisory Group imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Northeast Advisory Group. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Northeast Advisory Group or associated persons of the firm may not buy or sell for their personal accounts, investment products identical to those recommended to clients. It is the express policy of Northeast Advisory Group that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. Northeast Advisory Group and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Northeast Advisory Group.

Any associated person not observing our policies is subject to sanctions up to and including termination.

### **Item 12 – Brokerage Practices**

The advisory services provided by Northeast Advisory Group do not include the selection or recommendation of broker-dealers to be used for implementation of client securities transactions. All recommendations and other broker-dealer decisions are made by third-party money management firms.

### **Soft Dollar Benefits**

Northeast Advisory Group does not have a soft dollar arrangement with a broker-dealer or a third-party service provider.

## Item 13 – Review of Accounts

### Account Reviews and Reviewers

Managed accounts are reviewed at least annually. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Susan Sariti, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party money managers are reviewed at least quarterly, usually when statements and/or reports are received from the money manager.

Our consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### Statements and Reports

Whether reports by an outside money manager are provided to you will depend upon the outside money manager.

You are encouraged to always compare any reports or statements provided by Northeast Advisory Group or the Third-Party Money Manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## Item 14 – Client Referrals and Other Compensation

Northeast Advisory Group does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Northeast Advisory Group receives no other forms of compensation in connection with providing investment advice.

Prior to introducing any Pennsylvania client to a third-party money manager, Northeast Advisory Group will be responsible to determine if they are properly licensed, notice filed or exempt from registration with the Department of Banking and Securities.

As an insurance agent, Susan Sariti can pay a referral fee to an unaffiliated insurance agent for insurance client referrals only. No referral fees will be paid to any individual or entity under Northeast Advisory Group for advisory client referrals.

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. According to this definition, Northeast Advisory Group does **not** have custody of client funds or securities.

### **Item 16 – Investment Discretion**

With respect to assets managed by a third-party investment advisory firm, you may grant discretionary authority to the third-party manager.

When providing asset management services to retirement plan clients, Northeast Advisory Group maintains trading authorization over your Account and will provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold without obtaining your consent for each transaction.

### **Item 17 – Voting Client Securities**

Northeast Advisory Group does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting Northeast Advisory Group at the address or phone number indicated on Page 1 of this disclosure document.

### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. Northeast Advisory Group does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Northeast Advisory Group has not been the subject of a bankruptcy petition at any time.

### **Item 19 – Requirements for State-Registered Advisers**

#### **Executive Officer and Management Personnel**

**Susan L. Sariti**

*Educational Background:*

University of Scranton, Bachelor's degree in Liberal Studies: 2004

*Business Experience:*

Northeast Advisory Group, Managing Member and Chief Compliance Officer, 02/2017 to Present and Investment Adviser Representative, 06/2017 to Present;  
Northeast Benefit Administrators, LLC, Owner and Insurance Agent, 02/2017 to Present  
LPL Financial LLC, Administrative Assistant, 11/2007 to 02/2017  
Peoples Security Bank & Trust Company, Retirement Services Coordinator/New Business, 12/2015 to 01/2017  
Gilmartin Associates, Inc., Agent/Executive Assistant/Client Relations, 01/2007 to 12/2015  
Gilmartin Insurance Agency, LLC, Insurance Agent - Sales, 07/1997 to 01/2007

### **Other Business Activities**

See *Item 10 – Other Financial Industry Activities and Affiliations*.

### **No Performance Based Fees**

As previously disclosed in *Item 6*, Northeast Advisory Group does not charge or accept performance-based fees.

### **No Arbitrations**

Northeast Advisory Group or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

### **No Arrangement with Issuer of Securities**

Northeast Advisory Group and its management do not have any relationship or arrangement with any issuer of securities.

## **Customer Privacy Policy Notice**

**Commitment to Your Private Information:** Northeast Advisory Group has developed a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you (“Information”) with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have information to provide financial services to you. Such services include maintaining your accounts, providing financial consulting services, third-party management advisory services, and other services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to

assess your credit history)

- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with whom your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.