

REACT Investment Solutions, LLC

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This Brochure provides information about the qualifications and business practices of REACT Investment Solutions, LLC. If you have any questions about the contents of this Brochure, please contact us at 408-399-6330 or info@legacycapitalgroup.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.

REACT Investment Solutions, LLC is a registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you can use to determine to hire or retain an Adviser.

Additional information about REACT Investment Solutions, LLC (REACT) also is available on the SEC's website at www.adviserinfo.sec.gov by searching CRD# 150801.

Item 2 – Material Changes

Since the last annual amendment filed on 02/27/2020, we have the following material changes to disclose:

- Our firm has obtained financial assistance by participating in the Paycheck Protection Program (“PPP”) established by the U.S. Small Business Administration. The PPP is intended to assist businesses in response to the COVID-19 pandemic by providing low-interest loans for business essentials such as payroll expenses. These loans are eligible for forgiveness, but it is not guaranteed as it will be based on factors such as staff retention and being used for payroll or firm overhead.
- Richard Baer and Brent Bunger have been named in FINRA arbitration filed by former investors. The cases are currently pending.

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Item 4 – Advisory Business

REACT was created in 2009 to fill a need for independent Registered Investment Advisors looking for money management products for their clients. The founders of REACT saw the need for a platform that would provide access to money managers who met a set of criteria and passed a strict due diligence and research process.

The principal owners are Richard Baer (37.5%), Brent Bunger (37.5%) and Andy Baugh (20%). These individuals are also owners of Legacy Capital Group California, the largest RIA client of REACT. There is a minority owner of REACT, Kim Lawson (5%) who is not an owner, but is employed by Legacy Capital Group California.

REACT does not:

- issue periodicals about securities by subscription
- provide a timing service
- on more than an occasional basis, furnish advice to clients on matters not involving securities

REACT does:

- furnish investment advice through consultations
- furnish advice about investments
- furnish advice about money managers

REACT does not take custody of any client asset, nor does it **utilize** discretionary authority. Through the Fidelity custodial account application signed by the client, discretionary authority is given to REACT. However REACT never acts upon that discretionary authority and only acts upon requests from REACT's RIA client or the account holder. Discretionary authority is given, by the individual account holder, to the money manager(s) selected to manage the client's assets. REACT will recommend to the client the money manager(s) to use along with other investment opportunities as well as advise on the percentage to allocate to each recommendation. However, the final decision is made by the investor/account holder.

Our firm does not offer or sponsor a wrap fee program.

The total assets for which REACT is providing assistance and recommendations as of December 31, 2020 is \$335,837,923.

Item 5 – Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by REACT is established in a client's written agreement. REACT will generally collect its fees directly from the investor's account at the custodian. The investor provides authorization for this at the time the account is established. Fees are calculated by Orion Advisor Services, calculated based on the average daily value of the account, and are pulled from the accounts in arrears on a quarterly basis. The standard fee schedule is as follows:

Assets from \$0 - \$1,000,000 charged at 2.0%
Assets from \$1,000,001 - \$4,000,000 charged at 1.5%
Assets \$4,000,001 - \$7,000,000 charged at 1%
Assets greater than \$7,000,000 charged at .9%

REACT fees are exclusive of brokerage commissions, transaction fees, asset based pricing fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to REACT's fees. REACT may, in place of the fee schedule noted above, receive a portion of the fees that a money manager and/or Investment directly collects from the investor or investor's account.

The fee collection frequency and manner will be detailed in each investment agreement and may be different between investments. Typically, however, the fees are, as stated above, calculated in arrears and deducted on a quarterly basis directly from the investor's brokerage account. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

The fees charged by the money manager/investment may include performance fees. Performance fees will only be collected by the fund manager in the case of an alternative investment such as a hedge fund. The alternative investment fund manager may share a portion of the performance fee with REACT.

REACT will also receive a portion of the fees the money manager or investment collects from the investor or investor's account. REACT's primary compensation comes from fees it retains after paying all money manager fees and RIA fees from the fees it collects. Fees are collected from accounts; from the amount collected, the money managers or investments are paid. The collected fees that remain are paid out at 65% to REACT's RIA client and REACT retains the remaining amount. For unmanaged accounts, there is a \$100 annual maintenance fee, of which REACT retains 100%. No additional fees are collected by REACT for unmanaged accounts.

Either party may terminate the advisory agreement signed with our firm at any time. Upon notice of termination, pro-rata advisory fees for services rendered to the point of termination will be charged. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client.

REACT's representatives receive commissions from any insurance product for which they act as agent. The commissions that they receive do not have any impact on the price you pay for insurance premiums. The commissions are paid to them directly by the insurance company and do not increase your fees or premiums. Nonetheless, these commissions create an incentive for them to recommend these products over other products, which may be cheaper. The commission received are typically between .5% and 10% of the face value of the insurance coverage. Depending on the product, the commission structure may be different.

Two of REACT's principals, Richard Baer and Brent Bunger, will receive commissions from any securities product placed through their broker dealer, Lion Street Financial. The security products placed through Lion Street Financial, Richard Baer and Brent Bunger's broker-dealer, currently are variable annuities, 529 Plans, Lombard International Private Placement Variable Life Insurance and Lombard International Private Placement variable annuities. The commissions received by Mr. Baer and Mr. Bunger do not have any impact on the price you pay for the securities product. The commissions are paid to Mr. Baer or Mr. Bunger by Lion Street Financial and do not increase your fees or expenses. These commissions create an incentive for Mr. Baer and Mr. Bunger to recommend these products over other similar products, which may be cheaper. The commissions received are typically between 0% and 10% of the value of the initial investment. Depending on the product, the commission structure may be different.

Two of REACT's principals, Richard Baer and Brent Bunger, will receive commissions via the broker dealer Lion Street Financial as well as money management/asset management fees from all Lombard International Private Placement products. These commissions are separate and in addition to advisory fees charged by REACT. This practice presents a conflict of interest because persons providing investment advice on behalf of firms who are insurance agents have an incentive to

recommend insurance products to clients for the purpose of generating commissions rather than solely based on a client's needs. For Lombard International Private Placement Variable Life products, Mr. Baer or Mr. Bunger will receive a portion no greater than 20% of the mortality and expense fees collected by Lombard International. The commissions and portion of mortality and expense fees received by Mr. Baer and Mr. Bunger do not have any impact on the price you pay for insurance premiums. The commissions and portion of mortality and expense fees are paid to Mr. Baer or Mr. Bunger via the broker dealer, Lion Street Financial, and do not increase your fees or premiums. The commission received are typically between .25% and 3% of the face value of the insurance coverage and/or annuity. Depending on the product, the commission structure may vary slightly. A conflict of interest exists such that Mr. Baer and Mr. Bunger receive commissions individually as well as asset management fees via their RIA REACT. Receiving this dual compensation may create an incentive for Mr. Baer and Mr. Bunger to recommend investments which are eligible for commissions as well as asset management fees.

The fee collection frequency and manner will be detailed in each investment agreement and may be different between investments. The fees charged by the money manager/investment/platform may include performance fees. Performance fees will only be collected by the fund manager in the case of an alternative investment such as a hedge fund. The alternative investment fund manager may share a portion of the performance fee with REACT.

Hourly Consultation Services:

Hourly consultation services will not be charged by REACT.

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

REACT does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

However, some of the investments it recommends may. In such case, the Investment or Money Manager will enter into performance fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. the Investment or Money Manager will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, the Investment or Money Manager shall include realized and unrealized capital gains and losses. In certain instances, such as the Contravisory Fund LP (Long-Short Equity), REACT may receive a portion of these performance fees. Whether or not a performance fee is received is typically based on a "hurdle rate", meaning the performance must surpass a given rate

before performance fees are assessed. The details are different for each investment and are outlined in the offering documents of the investment, which every investor receives prior to making the investment. Receiving a portion of performance based fee from the Investment or Money Manager may create an incentive for REACT to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. REACT has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients & Account Requirements

REACT provides investment advice to individuals, high net worth individuals, pooled investment vehicles, and Registered Investment Advisors (RIA). The investment advice provided to those RIAs may be shared with the ultimate investor, who is a client of REACT's RIA client. REACT's primary client is its affiliate, Legacy Capital Group California.

REACT has a negotiable household minimum requirement of \$500,000, but does not have a minimum account size.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

REACT seeks to find money managers who, when placed in a coordinated allocation together, strive to protect client capital first and earn high returns second.

REACT employs several methods of analysis in selecting the Investment and/or Money Manager that it recommends to RIA clients:

- Charting
- Cyclical
- Fundamental
- Technical

The main sources of information REACT uses include but are not limited to:

- Financial newspapers and magazines
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases

- Telephone, Internet based and/or in-person interviews with key individuals associated with the Investment or Money Manager
- Money Manager newsletters and updates

The investment strategies used to implement any investment advice given to RIA clients include but are not limited to:

- Long term purchases
- Margin transactions (securities held at least a year)
- Short term purchases (securities sold within a year)

REACT primarily recommends Money Managers and Investments that are actively managed. The secondary focus is on risk management. However, as a percentage of the overall investment model, REACT may recommend a Money Manager, Investment or strategy that does not fit into the definition of risk managed. These investments may carry a higher degree of risk of loss and investors should be aware of this increased risk.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, and that their assets are appropriately diversified in investments. Clients are encouraged to ask our firm any questions regarding their risk tolerance.

Item 9 – Disciplinary Information

In 2019 and 2020, REACT was named in FINRA arbitration filed by former advisory clients against owners Richard Baer and Brent Bunger, along with Legacy Capital Group. The former advisory clients are alleging unsuitable recommendations and damages of \$850,000. The cases are currently pending.

In 2018, REACT was named in a suit filed by a former advisory client against one of REACT's owners, Richard Baer, along with the broker dealer Mr. Baer is affiliated with, Lion Street. The parties acknowledged that continuing to pursue the action would be expensive and time consuming and solely to avoid the expense, inconvenience, distractions and inherent uncertainties associated with any arbitration proceeding as well as the legal fees and expenses that would be incurred, the parties finally and completely settled all disputes between them.

Item 10 – Other Financial Industry Activities and Affiliations

Other Business Activities & affiliations:

Richard E. Baer, Brent C. Bunger, and Sean Buxton are registered representative producers with Lion Street Financial, LLC, member FINRA and SIPC. Clients are under no obligation to purchase variable products through Mr. Baer, Mr. Bunger, or Lion Street Financial, LLC, (Lion Street). Other individuals involved with REACT business are also registered representatives, but not producers, with Lion Street:

- Andy Baugh
- Amy Cono

The owners of REACT are: Richard Baer (37.5%), Brent Bunger (37.5%) Andy Baugh (20%) and Kim Lawson (5%).

Three of the four owners of REACT are also owners of Legacy Capital Group California: Richard Baer (47.5%), Brent Bunger (47.5%) and Andy Baugh (5%). REACT and Legacy Capital Group California share certain employees and share office space at 459 Monterey Avenue in Los Gatos, CA. Since Legacy Capital Group California is REACT's largest client, clients should be aware that a conflict exists between REACT and Legacy Capital Group California.

Baer & Bunger Financial & Insurance Services, LLC (B&B) has been established to receive traditional life and disability insurance commissions. Legacy Capital Group California owns 98% of the LLC and Richard E. Baer and Brent C. Bunger each own 1% of the LLC.

459 Monterey Avenue, LLC owns an office building and Legacy Capital Group California and REACT occupy the first floor. The second floor is sub-leased. 459 Monterey Avenue, LLC will receive rental income for the leased property. Richard Baer (47.5%) and Brent Bunger (47.5%) and Andy Baugh (5%) own 459 Monterey Avenue, LLC.

Legacy Capital Group California is an SEC registered RIA that provides investment advice to individuals, trusts, estates, charitable organizations, corporations or business entities and profit sharing plans. The majority of clients Legacy Capital Group California advises are high net worth individuals and small business owners.

Advisory clients are hereby advised:

- A conflict exists between the interests of REACT and the interests of the client
- The client is under no obligation to act upon the investment adviser's recommendation
- If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

Richard E. Baer and Brent C. Bunger are registered representatives and producers with Lion Street Financial, LLC, a registered Broker-Dealer and Investment Advisor. An inherent conflict of interest exists as Messrs. Baer and Bunger may receive securities commissions in addition to advisory fees.

Clients will be under no obligation to purchase securities through Messrs. Baer or Bunger or through Lion Street. REACT has relationships that are material to its business with the following Money Managers, Investments and hedge funds:

- Kovitz Investment Group, Formerly Al Frank Asset Management
- Astor Asset Management via Geowalth Advisor Services
- Casco Financial
- Contravisory Investment Management
- LG Servicing
- Lombard International
- Niemann Capital Management via Fulcrum Equity Management
- NorthCoast Asset Management
- Prime Meridian Capital Management
- Sanctuary Wealth Advisors, LLC/Crosspoint Capital Management
- Stonecrest Managers, Inc.

REACT does not, but Richard E. Baer and Brent C. Bunger along with other employees maintain resident insurance licenses. The corporate insurance license is in the name of Baer & Bunger Financial & Insurance Services, LLC. They may sell insurance products to clients. An inherent conflict of interest exists as they may receive insurance commissions in addition to advisory fees. Clients will be under no obligation to purchase insurance through Messrs. Baer or Bunger nor the insurance companies they represent. The other affiliates maintaining insurance licenses are: Kim Lawson, Amy Cono, Sean Buxton, Anita Jiang and Justin Bunger.

Clients are made aware that securities-investing carries inherent risk. Furthermore, they are informed that using the proceeds from real estate collateralized loans to speculate on the overall market or individual securities is not prudent. REACT has policies and procedures in place to address these issues.

Item 11 – Code of Ethics

REACT has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at REACT must acknowledge the terms of the Code of Ethics annually, or as amended.

REACT anticipates that in appropriate circumstances consistent with clients' investment objectives,

it will cause accounts over which REACT has management authority to effect, and will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which REACT, its affiliates and/or clients, directly or indirectly, have a position of interest. REACT's employees and persons associated with REACT are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of REACT and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for REACT's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of REACT will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of REACT's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between REACT and its clients.

REACT's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting REACT at (408) 339-6330.

It is REACT's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. REACT will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

REACT does not require, but does recommend the broker-dealer. Not all advisers require their clients to direct brokerage. REACT does **not**. By directing brokerage, a firm may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

REACT has a relationship with Fidelity Brokerage Services LLC (Fidelity). Fidelity clears through National Financial Services LLC.

REACT has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides REACT with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist REACT in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help REACT manage and further develop its advisory practice. Such services include, but are not limited to, , financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom REACT may contract directly.

REACT is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity is providing REACT with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

Item 13 - Review of Accounts

Richard E. Baer, Principal, Brent C. Bunker, Principal Andy Baugh, Chief Investment Officer, and Sean Buxton, Sr. Wealth Advisor will be responsible for reviewing client accounts. Annual reviews will be made available to all clients should they choose to have a review done either in person or via

the phone or web. Letters will be mailed or sent via electronic mail to clients at the end of each year reminding them of this service. At the request of the investor, or at any significant change in the amount of assets available for investment, the overall allocation and financial plan will be reviewed and discussed.

Clients with managed accounts will receive confirmations and monthly statements from the Broker-Dealer or Investment Company with which their accounts are held. In addition, clients will receive quarterly and annual statements from either the Investment, Money Manager, RIA or custodian. Clients who have insurance contracts will receive statements directly from the carrier. Clients who have contracted for fixed fee financial planning services will receive a written financial plan. Additional reports will be prepared at the request of clients.

Item 14 – Client Referrals and Other Compensation

REACT and its associates may from time to time enter into arrangements with non-clients that may result in fees paid to the advisor. For instance, the advisor may recommend a non-security, such as a First Trust Deed, to an investor, for which the advisor may receive a portion of the fees. The advisor may receive finder's fees or other solicitation fees for referring clients to third party investment advisers and hedge funds. Likewise, third parties may pay finder's fees and other solicitation fees to REACT for its referrals of individuals to their services or programs including but not limited to non-clients, investment advisors, accountants, qualified individuals, and/or law firms.

Our firm pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4) -3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4) -3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15 – Custody

Deduction of Advisory Fees:

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. REACT urges the recipient to carefully review such statements and compare such official custodial records to the account

statements that REACT may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Third Party Money Movement:

On February 21, 2017, the SEC issued a no-action letter (“Letter”) with respect to Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of authorization (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16 – Investment Discretion

REACT presents the RIA client with the Money Manager and/or investment recommendation. However, it is always the client’s final decision as to which Money Manager or Investment to utilize and at no time will REACT select the identity and amount of securities to be bought or sold without consent from the client. Throughout the relationship, REACT may make investment recommendations, but the client is always given the option of accepting or rejecting the recommendation. The client will give discretionary authority to REACT, the Money Manager or Investment in a separate agreement, typically the custodian’s application (custodian example: Fidelity).

When selecting investment recommendations, REACT relies solely on our client, the RIA, to ensure the end-investor's goals and objectives, plan documents, limitations and restrictions are taken into consideration. REACT does not provide any investment advice directly to the end-investor, even though REACT does manage the operational aspects of the end-investor's account(s). All end-investor advice is provided by the end-investor's RIA, REACT's RIA client.

Any Investment guidelines and restrictions must be provided to REACT in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, REACT does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios OR that task is given to the Money Manager or Investment client's assets are invested with in a separate agreement. REACT may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about REACT's financial condition. REACT has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Our firm has obtained financial assistance by participating in the Paycheck Protection Program ("PPP") established by the U.S. Small Business Administration. The PPP is intended to assist businesses in response to the COVID-19 pandemic by providing low-interest loans for business essentials such as payroll expenses. These loans are eligible for forgiveness, but it is not guaranteed as it will be based on factors such as staff retention and being used for payroll or firm overhead.