

## Relationship Summary, Conflicts Section

Form CRS relationship summary, Item 3 | Marked-up specimen

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A conflicts paragraph rewritten to say when a conflict arises, using the firm's own compliance record for the facts.

### ORIGINAL, WITH EDITS MARKED

SPECIMEN, PREPARED BY EDITFAST FOR ILLUSTRATION. NOT A REAL RECORD.

Halverson Ridge Advisors LLC (fictitious) - Client Relationship Summary

THE FIRM'S COMPLETE CONFLICTS INVENTORY, ALL FOUR ENTRIES (reproduced unchanged in both panels)

CI-2.1 Revenue sharing: the firm receives 0.10 percent annually on client assets held in the Meridian money market sweep, paid by the fund sponsor.

CI-2.4 Third-party payments: the firm receives training and event support from two mutual fund families whose funds appear on the recommended list.

CI-2.7 Proprietary products: the firm recommends the Halverson Ridge Balanced Portfolio, which it manages, and for which it receives a separate management fee.

CI-3.2 Principal trading: the firm does not trade with clients as principal.

WHAT ARE YOUR CONFLICTS OF INTEREST?

We may have conflicts of interest.<sup>1</sup> These may arise from revenue sharing, third-party payments, proprietary products, riskless principal transactions<sup>3</sup>, and other arrangements<sup>4</sup>.<sup>2</sup> We take steps to manage any such conflicts.<sup>5</sup>

### WHAT CHANGED, AND WHY

| # | Was                                | Now                                                                                   | Reason                                                                                                                                                                                       |
|---|------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | We may have conflicts of interest. | We have three conflicts of interest, and each one arises at a point you can identify. | May states neither that a conflict exists nor when. The inventory holds four entries and three of them are conflicts, so the count is available and the hedge is not describing uncertainty. |

| # | Was                                                                                                                                        | Now                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Reason                                                                                                                                                                                                                                       |
|---|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | These may arise from revenue sharing, third-party payments, proprietary products, riskless principal transactions, and other arrangements. | When your assets sit in the Meridian money market sweep, we receive 0.10 percent a year on them, paid by the fund sponsor (CI-2.1). / When we recommend a fund from either of the two fund families that give us training and event support, we are recommending a fund from a family that pays us in kind (CI-2.4). / When we recommend the Halverson Ridge Balanced Portfolio, we are recommending a portfolio we manage, and we receive a separate management fee for managing it (CI-2.7). | A list of category names tells a reader what kind of thing might happen. Each revised sentence opens with the circumstance, which is what the staff statement says was missing. The figures and names are the ones already in the inventory. |
| 3 | riskless principal transactions                                                                                                            | (removed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | CI-3.2 records that the firm does not trade with clients as principal, and the inventory records no riskless principal arrangement either. The term is also one the staff statement names as used without explanation.                       |
| 4 | and other arrangements                                                                                                                     | (removed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | A closing catch-all adds no arrangement a reader can look for, and the inventory is a closed list of four entries.                                                                                                                           |
| 5 | We take steps to manage any such conflicts.                                                                                                | (removed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Steps names no step, and the inventory records no management arrangement to name.                                                                                                                                                            |
| 6 | (no statement of the one arrangement the firm does not have)                                                                               | We do not trade with you as principal (CI-3.2).                                                                                                                                                                                                                                                                                                                                                                                                                                                | CI-3.2 is the only negative entry in the inventory, and a reader can act on a plain statement that an arrangement is absent.                                                                                                                 |