

**CENTAURUS FINANCIAL, INC.**  
**2021 ANNUAL NOTIFICATION / DISCLOSURE DOCUMENT**

*Centaurus Financial, Inc. (“CFI” or the “Firm”) is a securities broker-dealer and Registered Investment Advisor in the financial services industry. A “Registered Representative” is registered/licensed with our Firm as a Registered Representative, an Investment Advisory Representative, or both, and is servicing one or more of your investment accounts. Below, please find notifications that the Firm is required to provide to you on an annual basis. We encourage you to read the document thoroughly and retain a copy for your files.*

**DISCLOSURE OF ORDER ROUTING INFORMATION**

With respect to equities transactions, pursuant to Securities and Exchange Commission (“SEC”) Rule 606, you are able to view information concerning CFI’s order routing venues for non-directed orders at [www.centaurusfinancial.com/investor-information](http://www.centaurusfinancial.com/investor-information) and selecting SEC Order Execution/Routing Disclosure. Additionally, information concerning the identity of the venue to which your orders were routed for execution for the preceding six months is also available.

**PAYMENT FOR ORDER FLOW PRACTICES**

The SEC and the Financial Industry Regulatory Authority (“FINRA”) require that all broker/dealers inform their clients, when a new account is opened, on an annual basis thereafter, and on confirmations, of payment for order flow practices (compensation received for placing orders through “market makers” and specialists on registered US exchanges). Consistent with the overriding principle of best execution, orders placed through CFI will be routed to primary exchanges and other market centers, including regional securities exchanges and dealers (which may make markets over-the-counter) through our Clearing Firms. In an effort to obtain best execution, the Clearing Firms may consider several factors, including price improvement opportunities (executions at prices superior to the then prevailing inside market on OTC or national best bid or offer for listed securities). CFI *does not* receive remuneration for directing certain orders in equity securities to particular broker/dealers or market centers for execution. Please also see Disclosure of Order Routing Information above.

**FREE CREDIT BALANCE INFORMATION**

Any free credit balance represents funds payable on demand, which, although properly accounted for on our Clearing Firm’s books and records, is not segregated and may be used in the conduct of their business.

**ANNUAL MARGIN DISCLOSURE STATEMENT**

Securities purchased on margin are the Clearing Firm’s collateral for the margin loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the Firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include, but are not limited to, the following:

- You can lose more funds than you deposit in the margin account.
- The Firm can force the sale of securities or other assets in your account(s).
- The Firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- The Firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

**ADDITIONAL COMPENSATION DISCLOSURE**

Broker/dealers often incur costs and/or receive compensation associated with the advertising and distribution of investment products, some of which may not be easily identified in the respective prospectuses. Therefore, in an effort to ensure complete and full disclosure of all compensation/remuneration that CFI receives as a result of your purchases, CFI provides a list of companies from which we receive advertising assistance, marketing fees, service fees, and/or reimbursements for the education of our Registered Representatives. This information can be found at [www.centaurusfinancial.com/investor-information](http://www.centaurusfinancial.com/investor-information) by selecting Additional Compensation Disclosure.

**MUTUAL FUND BREAKPOINT DISCLOSURE**

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you may be charged, as well as the breakpoint discounts to which you may be entitled. Understanding these charges and breakpoint discounts will assist you in identifying the best investment for your particular needs and may help you reduce the cost of your investment. Sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Therefore, you should discuss these issues with your Registered Representative and review each mutual fund’s prospectus and statement of additional information, which are available from your Registered Representative, to get the specific information regarding the charges and breakpoint discounts associated with a particular mutual fund. The entire Breakpoint Disclosure Statement can be found at [www.centaurusfinancial.com/investor-information](http://www.centaurusfinancial.com/investor-information) by selecting Mutual Fund Breakpoint Discounts Disclosure Statement. You may also learn more about mutual fund share classes or mutual fund breakpoints by reviewing the investor alerts available on the FINRA

website at [www.finra.org/investors/alerts/understanding-mutual-fund-classes](http://www.finra.org/investors/alerts/understanding-mutual-fund-classes) or visit one of the many mutual fund websites available to the public.

### **RETIREMENT INVESTOR FIDUCIARY ACKNOWLEDGEMENT**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

### **CLIENT IDENTIFICATION PROGRAM**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account. When you open an account, we will ask for your name, address, date of birth, Social Security Number and other information that will allow us to identify you. We may also utilize third-party information providers for verification purposes and/or ask for a copy of your driver's license or other identifying documents. A corporation, partnership, trust or other legal entity may need to provide other information.

U.S. Department of the Treasury, Securities and Exchange Commission, FINRA, and New York Stock Exchange rules already require you to provide most of this information. These rules also may require you to provide additional information, such as your net worth, annual income, occupation, employment information, investment experience and objectives, and risk tolerance. If you don't provide the information requested or your identity can't be verified, we may not be able to open an account or carry out transactions for you. If we already opened an account for you, we may have to close it.

### **NOTICE OF PRIVACY AND SECURITY POLICIES**

CFI and its Clearing Firms are committed to preserving the privacy and security of all of your personally identifiable information and have jointly set forth below the Privacy & Security Policy that each adheres to in our individual but collaborative roles in handling your business. In order to transact your business, each of us may collect and maintain non-public personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from third parties, including consumer-reporting agencies.

We have implemented a privacy policy in compliance with Regulation S-P under which we refuse to disclose non-public personal information about our clients or former clients to any third parties except with the client's permission or:

- as required in rendering the services that you have requested (for example, the settlement of transactions may result in disclosure of trade information to another broker/dealer or clearing firm);
- as required by law (e.g., under the USA PATRIOT Act, tax authorities or regulatory requests) or subpoena(s);
- as permitted by law to third party service providers who are selected and monitored (by the firm employing them) in order to maintain the privacy and security of your information; or
- as may be appropriate to protect against fraud or illegal activity, for the safety of clients, employees, or property, or as otherwise permitted by law.

The Firm also adheres to policies that restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you. Each firm maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your non-public personal information. If our Registered Representative servicing your account terminates his/her affiliation with CFI to join another broker-dealer, the Representative is permitted to retain copies of your information so that he or she can assist with the transfer of your account and continue to serve you at their new firm. The Representative's continued use of your information will be subject to the new firm's privacy policy. For additional information, please see your Client Agreement or visit [www.centaurusfinancial.com](http://www.centaurusfinancial.com).

### **BUSINESS CONTINUITY PLAN**

CFI has created a plan on how we would respond to an event that significantly impacted our ability to conduct business. The unpredictability of such an event requires CFI to be flexible in responding and adjusting to various circumstances and events. In that all the Firm's clients are generally served by a Registered Representative located in a branch office, the Registered Representative would continue to be the first level of contact. Our plan is to resume operations as quickly and as effectively as possible. The entire Business Continuity Plan may be found at [www.centaurusfinancial.com/investor-information](http://www.centaurusfinancial.com/investor-information) by selecting [Business Continuity Plan](#).

### **ANNUAL ADV OFFER**

In accordance with Rule 204-3 of the Investment Advisers Act of 1940, we are obliged to offer our clients a copy of our Form ADV Part 2A each year. If you have an advisory account with CFI and would like to receive a copy of our current Form ADV Part 2A, we will be pleased to provide a copy upon receipt of your written request to the Wealth Management Department at the CFI Home Office. The Form ADV Part 2A may also be found at [www.centaurusfinancial.com/investor-information](http://www.centaurusfinancial.com/investor-information) by selecting [ADV Disclosures](#).

### **SIPC MEMBERSHIP**

CFI is a member of the Securities Investor Protection Corporation ("SIPC"). Information about coverage provided by SIPC can be obtained by calling SIPC at (202) 371-8300 and requesting a brochure or visiting their website at [www.sipc.org](http://www.sipc.org).

### **FINRA INVESTOR EDUCATION**

CFI is a member of FINRA and is required to inform you of the availability of the FINRA Investor Brochure, which contains information on the FINRA Public Disclosure Program. You may contact FINRA at (800) 289-9999 or via the internet at [www.finra.org](http://www.finra.org).

### **MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) INVESTOR EDUCATION AND PROTECTION**

An investor brochure that describes the protections available under MSRB rules and instructions on how to file a complaint with an appropriate regulatory authority can be found on the MSRB website, [www.msrb.org](http://www.msrb.org). CFI is registered with the Securities and Exchange Commission (SEC), MSRB and FINRA.

### **COMMUNICATIONS**

Communications will be sent to you at your current address of record which is on file at the CFI Home Office. All communications so sent, whether by mail, messenger or otherwise to that address, shall be deemed given to you personally whether actually received or not. Therefore, it is important that you promptly notify your Registered Representative should your address change.

### **PAYMENT FOR SECURITIES TRANSACTIONS**

- CFI will not accept cash, money orders, cashier's checks, traveler's checks or other cash equivalents as payment for any transaction.
- Checks for any *insurance or securities transactions* must be made payable to the insurance company, product issuer, Pershing LLC, TD Ameritrade or Charles Schwab (our clearing firms). **Checks should never be made payable to the Registered Representative, their DBA or Centaurus Financial, Inc.**
- Checks for any *wealth management/advisory services*, including advisory fees, third party manager fees, custodial fees, investment monitoring fees, financial planning fees, etc., should be made payable to **Centaurus Wealth Management**, unless otherwise directed by the CFI Home Office. The fees for advisory products and/or services are, with very limited exception, the only type of payment that is required to be made directly to a CFI entity.

If you have any questions and/or concerns as to whom you should make a check payable for a transaction, please contact the CFI Compliance Department at the number below.

### **PERMITTED ACTIVITIES**

Registered Representatives are registered/licensed to *only* offer investment and insurance products that have been approved by, and are processed through, CFI. **Registered Representatives are NOT permitted to borrow from or loan money to clients, offer investments in which they have any proprietary or vested interest, or share in the account of any client (without prior written approval from CFI).** If you require additional information regarding any product or service offered to you by a Registered Representative, please contact the product sponsor/issuer, the Registered Representative's supervisor or the CFI Home Office at (714) 456-1790.

### **SUPERVISION**

Every Registered Representative is supervised by a Registered Principal who is responsible for the final review and approval of all transactions, sales and marketing materials/activities and administrative support of your account(s). Should you wish to discuss any of the activities in your account with his/her Supervisor or the CFI Home Office, please feel free to ask your Registered Representative for the name and phone number of their Supervisor.

### **SHOULD YOU HAVE A QUESTION/COMPLAINT**

If you have any question(s) about an issue which you feel was/were not answered satisfactorily by your Registered Representative or his/her immediate Supervisor, or if you have a specific complaint, please call or write to the following: Compliance Department, Centaurus Financial, Inc., 2300 E. Katella Ave., Suite 200, Anaheim, CA 92806; Phone (714) 456-1790, Fax (714) 456-1797.