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**ADVISOR NAME:** Jay Richard Spector

**BUSINESS ADDRESS:** 6929 East Greenway Parkway, Suite 180, Scottsdale, AZ 85254

**TELEPHONE NUMBER:** 480-409-5922

**Item 1 - Cover Page**

## **Part 2B of Form ADV: Brochure Supplement**

### **Stratos Wealth Partners, Ltd.**

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Beachwood, OH 44122

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[www.Stratoswealthpartners.com](http://www.Stratoswealthpartners.com)

Supplement Date: 07/28/2017

This brochure supplement provides information about Stratos Wealth Partners, Ltd., that supplements the Stratos Wealth Partners, Ltd., brochure. You should have received a copy of that brochure. Please contact Stratos Wealth Partners, Ltd., at 440-519-2500 if you did not receive Stratos Wealth Partners, Ltd.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Jay Richard Spector also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Jay Richard Spector**

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Wealth Advisor

Partner

### **Item 2 - Educational Background and Business Experience**

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**Year of Birth:** 1974

**Education:**

John Hopkins University: graduated 2005, MSRE, Real Estate Finance

Northern Arizona University: 1992 - 1996, BSBA, Finance

**Business Background:**

Stratos Wealth Partners: 07/2017 – present, Financial Advisor

LPL Financial LLC: 07/2017– present, Registered Representative

Merrill Lynch, Pierce, Fenner & Smith, Inc.: 03/2011 – 07/2017

### **Item 3 - Disciplinary Information**

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There are no disciplinary actions to report on this individual.

### **Item 4 - Other Business Activities**

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Jay Richard Spector is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. In such capacity, he may sell securities through LPL Financial and receive normal and customary commissions as a result of such purchases and sales. Clients may establish multiple accounts with a representative, some of which are subject to an investment advisory relationship through Stratos, while other accounts of the same client (also serviced by the same representative) may operate under a brokerage relationship through LPL. The distinction between the advisory and brokerage relationship with a client is important for the client, because an advisory relationship imposes a fiduciary duty under section 206 of the Advisers Act where the standard of care when recommending securities to clients (e.g., a need to demonstrate the transaction is in the client's best interest) is higher than in the case of a brokerage relationship where the standard is "suitability", which may merely determine whether the recommended security is appropriate for the client and adheres to the client's investment objectives and risk tolerance, and not necessarily in the client's best interest. The client is under no obligation to purchase or sell securities through Jay Richard Spector on a commissionable basis. In addition, he may receive other compensation such as mutual fund or

money market 12b-1 fees and variable annuity trails. The potential for receipt of commissions and other compensation gives Jay Richard Spector an incentive to recommend investment products based on compensation received, rather than on the client's needs. To address this, disclosure is made to the client at the time a brokerage account is opened through LPL Financial, identifying the nature of the transaction or relationship, the role to be played by LPL Financial and Jay Richard Spector, and any compensation (e.g., commissions, 12b-1 fees) to be paid by the client and/or received by the registered representative.

Jay Richard Spector is also an insurance agent. In such capacity, he may offer and service through various carriers, fixed and variable life insurance products, term insurance, universal insurance, whole life insurance, long term care insurance, disability insurance, health and dental insurance and receive normal and customary commissions as a result of any purchases made by clients. The client is under no obligation to purchase fixed or variable life insurance, term insurance, universal insurance, whole life insurance, long term care insurance, disability insurance, health and dental insurance through Jay Richard Spector on a commissionable basis. In addition, he may receive other compensation such as fixed or variable trails. The potential for receipt of commissions and other compensation gives Jay Richard Spector an incentive to recommend insurance products based on the compensation received, rather than on the client's needs. To address this, disclosure is made to the client at the time the purchase is made, identifying the nature of the transaction or relationship, the role to be played by the Jay Richard Spector and any compensation (e.g., commissions, trails) to be paid by the client and/or received by the insurance agent.

#### **Item 5 - Additional Compensation**

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Jay Richard Spector may also have received compensation as an incentive to join Stratos in the form of upfront forgivable loans, stipends, recruiting bonuses, profit interest units in Stratos, and/or other transition assistance. These forms of compensation are oftentimes provided as a means to aid an advisor during a time of transition when there is no income being generated, and may be paid by Stratos, LPL Financial, or both. If Jay Richard Spector received any of these types of compensation, the relative economic value of these incentives is enumerated below.

LPL Financial provided \$492,222 to the Team of Barton and Spector in the form of a 5 year forgivable loan for transition assistance. This is to be used for the Team's specific transition needs such as to offset ACAT fees, technology set-up fees, marketing and mailing costs, stationery and licensure transfer fees. LPL provided a credit in the amount of \$49,222 to Stratos Wealth Partners for enhanced support during the Team's transition. LPL Financial also offered a 2 year repayable loan of up to \$75,000 to Barton, \$51,000 to Spector. LPL Financial extended 1 invitation to LPL's premier 2018 Focus Conference to be held in Boston, MA to each of the Team members. This invitation includes airfare, 3 nights lodging, and conference registration expenses (an approximate \$3,000 value.)

Receipt of these forms of compensation may present a conflict of interest in that Jay Richard Spector may have undertaken to change firms and join Stratos based on their desire to obtain such economic benefit to themselves rather than on the client's needs and/or best interest.

Jay Richard Spector may receive non-cash compensation from product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that he may attend. This practice gives Jay Richard Spector an incentive to recommend investment products based on the compensation received, rather than on the client's needs. To address this, Jay Richard Spector is required to disclose to his supervisor all compensation received from product sponsors.

As described above, Jay Richard Spector is also a registered representative with LPL Financial, a registered broker/dealer and member of FINRA. In such capacity, he may sell securities through LPL Financial and receive normal and customary commissions as a result of such purchases and sales. The client is under no obligation to purchase or sell securities through Jay Richard Spector on a commissionable basis. In addition, he may receive other compensation such as mutual fund or money market 12b-1 fees and variable annuity trails. The potential for receipt of commissions and other compensation gives Jay Richard Spector an incentive to recommend investment products based on compensation received, rather than on the client's needs. To address this, disclosure is made to the client at the time a brokerage account is opened through LPL Financial, identifying the nature of the transaction or relationship, the role to be played by LPL Financial and Jay Richard Spector, and any compensation (e.g., commissions, 12b-1 fees) to be paid by the client and/or received by the registered representative. Jay Richard Spector may receive from LPL Financial production bonuses, stock options, reimbursement of fees paid to LPL Financial for items such as administrative services, and other things of value such as free or reduced-cost attendance at LPL Financial's national sales conference or top producer forums and events. Production bonuses, administrative fee reimbursements, and awards for conference attendance are based on overall business produced by Jay Richard Spector and do not favor one product or program over others. The awarding of stock options is based on total production, recurring revenue and growth rate of production. Advisory fees are considered recurring revenue and, thus, there may be a financial incentive for Jay Richard Spector to recommend clients establish advisory accounts so that he will receive recurring revenue and possibly receive stock options from LPL Financial.

Jay Richard Spector may receive referral compensation for acting as a solicitor in referring clients to third-party investment advisors for account management. The potential for receipt of compensation gives Jay Richard Spector an incentive to recommend a third-party investment advisor based on the compensation received, rather than on the client's needs. To address this, disclosure is made to the client at the time an advisory relationship is established, identifying the nature of the relationship, the role to be played by the third-party investment advisor, Jay Richard Spector, and any compensation to be paid by the client and/or received by Jay Richard Spector.

## Item 6 - Supervision

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On behalf of Stratos Wealth Partners, Ltd., Barbara Meola, Managing Partner, 480-719-1335 is the person responsible for supervision of Jay Richard Spector.

Supervision of Jay Richard Spector is conducted as follows:

The Stratos Wealth Partners, Ltd. manner of supervision is a multi-tiered process. Stratos maintains a Code of Ethics to which all advisors must subscribe. The Code of Ethics provides for Stratos and its Advisor Representatives to exercise its fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. Stratos takes seriously its compliance and regulatory obligations and requires all Advisors and staff to comply with all federal and state rules and regulations, as well as Stratos' policies and procedures.

Stratos Wealth Partners, Ltd. maintains supervisors in both the home office and in field offices. These supervisors are familiar with the firm's Code of Ethics and its supervisory policies and procedures, and their responsibilities as supervisors as they relate to the policies of the firm.

Further, all transactions entered into by the advisors are supervised through the systems of LPL Financial Corporation. These systems monitor for unusual activity and inform supervisors of such.

Stratos Wealth Partners, Ltd. monitors the advice given by Jay Richard Spector in the following manner:

In addition to the processes noted above, Stratos Wealth Partners, Ltd. monitors the activity of its advisors by reviewing trading activity, requiring approval of advisor advertising and approval of any discretion that advisors may have over accounts. The advisors' offices are subject to a review process and the advisors are required, no less than annually, to attest to their compliance with the firm's compliance policies and to their understanding of the firm's Code of Ethics.