

InterOcean Capital Group, LLC  
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**Item 1 – Cover Page**

**InterOcean Capital Group, LLC**

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Nashville, TN 37219

Phone: 312-648-1720

Web Address: [www.interoceancapital.com](http://www.interoceancapital.com)

September 28, 2023

This brochure provides information about the qualifications and business practices of InterOcean Capital Group, LLC (“Adviser,” “we,” and/or “IOC”). If you have any questions about the contents of this brochure, please contact Forrest Sumlar, our Chief Compliance Officer, at 312-648-1720 or via email at [fsumlar@interoceancapital.com](mailto:fsumlar@interoceancapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), under the firm’s SEC File No. 801-119431.

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**Item 2 – Material Changes**

This item of the Brochure discusses only material changes that are made to the Brochure since the last annual update and provides clients with a summary of such changes.

On August 31, 2023, funds affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”) and Stone Point Capital LLC (“Stone Point”) completed an acquisition of Focus Financial Partners Inc. (“Focus Inc.”). This transaction resulted in funds affiliated with CD&R collectively becoming majority owners of Focus Inc. and funds affiliated with Stone Point collectively becoming owners of Focus Inc. Because IOC is an indirect, wholly-owned subsidiary of Focus Inc., the CD&R and Stone Point funds are indirect owners of IOC. Items 4 and 10 have been revised to reflect this new ownership structure.

Our Brochure may be requested by contacting Forrest Sumlar, our Chief Compliance Officer, at 312-648-1720 or at [fsumlar@interoceancapital.com](mailto:fsumlar@interoceancapital.com).

Additional information about Adviser is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Adviser who are registered, or are required to be registered, as investment adviser representatives of Adviser.

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**Item 4 – Advisory Business**

- A. *Management and Ownership.* We are managed by Rege S. Eisaman, Michael Carlin, Mark E. Carr, Jeffrey S. Camp, David J. Janczewski, Jason Buck, Erik N. Larson, Nicholas Rounds, Bhavna Khurana, Shaunna Zoeckler, Drake Qualls and Forrest Sumlar (“IOC Principals”), pursuant to a management agreement between Blue Hawk, LLC (“Blue Hawk”) and IOC. The IOC Principals serve as leaders and officers of IOC and are responsible for the management, supervision and oversight of IOC.

FOCUS FINANCIAL PARTNERS, LLC

IOC is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, IOC is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is, directly and indirectly, a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is conducted through the voting rights and the Board of Directors at Focus Inc. Focus Inc. is the managing member of and owns, directly and indirectly, approximately 99% of the economic interests in Focus LLC.

Focus Inc. is majority-owned, indirectly and collectively, by funds affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”). Funds affiliated with Stone Point Capital LLC (“Stone Point”) are indirect owners of Focus Inc. Because IOC is an indirect, wholly-owned subsidiary of Focus Inc., CD&R and Stone Point funds are indirect owners of IOC.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

- B. *Services Offered.* We provide wealth management and portfolio management investment advisory services to clients who are primarily high net worth individuals, trusts, charitable and non-profit organizations, individuals (other than high net worth individuals), corporations and other investment advisers.

Some clients engage us to provide holistic financial planning and wealth management advice and asset allocated portfolio management services. We typically invest the assets of such clients in equity securities of individual companies, equity options, exchange-

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traded funds, laddered portfolios of individual bonds, bond funds and private investments.

Some clients invest in the proprietary equity and income portfolio management strategies we offer. These strategies currently include:

- A large capitalization equity portfolio which typically holds 25-35 equity securities;
- An equity income strategy which typically holds 25 to 35 stocks and generates income by selling covered calls or writing puts secured by cash;
- Equity hedge strategies which hold active or passive long positions and broader short market positions;
- A global ETF portfolio which typically holds 20 to 35 positions; and
- A tactical diversifying portfolio which currently contains ETFs that are invested in commodities, foreign currencies, bonds and funds holding domestic and/or global securities, but the holdings and exposures are unconstrained and can be changed relatively quickly.

Some clients will engage us to allocate assets to one or more outside portfolio managers to manage all or certain portion of the client's portfolio based on how their investment styles align with the client's objectives and preferences. In deciding which third-party managers to allocate client assets to for management, we will work with Springtide Partners ("Springtide") to evaluate and monitor the performance of the third-party managers. If we determine that one or more of the third-party managers are no longer suitable for one or more clients, we will remove the corresponding assets from the third-party manager's management and will reallocate those assets to suitable third-party managers as appropriate.

We implement investment advice on behalf of certain clients in held-away accounts that are maintained at independent third-party custodians. These held-away accounts are often 401(k) accounts, 529 plans and other assets that are not held at our primary custodian(s).

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Treasury & Credit Solutions, LLC ("FTCS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of these services and other important information.

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We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC (“FRS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of these services and other important information.

We have come by some client relationships directly and other relationships by way of referrals or arrangements with unaffiliated financial institutions. In particular, many clients are referred to us through the Schwab Adviser Network. We also serve as a subadviser in the Aintree Capital Private Manager Program, and receive a portion of the advisory fees charged by the institutional manager for its investment management services. These programs have varying fee arrangements and may be offered on a wrap fee basis. We gladly welcome clients from any source.

We also offer consulting services to employers (“Plan Sponsors”) sponsoring employee retirement plans (“Plans”). We assist Plan Sponsors and their Plans’ trustees and other named fiduciaries by providing a variety of services including, but not limited to:

- Investment policy statement review;
- Designated Investment alternatives;
- Qualified default investment alternatives;
- Third-party advisors and managers advice;
- Administrative support;
- Investment support;
- Oversight of relationship with service provider; and
- Participant services

IOC is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) with respect to *investment management services and investment advice* provided to ERISA plan clients, including plan participants. IOC is also a fiduciary under section 4975 of the Internal Revenue Code (the “IRC”) with respect to investment management services and investment advice provided to individual retirement accounts (“IRAs”), ERISA plans, and ERISA plan participants. As such, IOC is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a “PTE”).

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As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights you possess.

- C. *Customization and Client Restrictions.* Clients can engage us as a wealth manager, to provide portfolio management services, or in a manner combined and customized to meet client needs. We will generally accept reasonable client restrictions with respect to securities held in client accounts. We will also generally accept restrictions on the ownership of certain types of securities and the use of margin, options, and other account features.
- D. *Wrap Fee Programs.* Adviser has no information applicable to this item.
- E. *Assets Under Management.*

As of August 31, 2023:

Total Assets Under Management	\$ 5,339,057,409
Discretionary Basis	\$ 4,782,202,271
Non-Discretionary Basis	\$ 556,855,137

**Item 5 – Fees and Compensation**

- A. *Management Fees.* Our management fee is specified in your client agreement with us, and typically is expressed as a percentage of the assets in your portfolio, including cash, cash equivalents and accrued interest. Fees are calculated gross of margin, but we retain the right to net out the margin balance from the assets in the portfolio at our discretion and without notice before the Management Fee is calculated. Management fees vary, are generally in the range of 0.05% to 1.25% of assets per annum, depending upon various factors, including the amount of the client’s assets, complexity of the engagement, the investment strategy employed, and the circumstances and timing of our initial engagement as your investment adviser.

In some cases, we charge a flat annual fee, or may agree to charge some accounts a flat fee and other accounts an asset-based fee.

All management fees are negotiable.

For certain clients, we charge a management fee for services provided to the held-away accounts mentioned above in Item 4, just as we do with client accounts held at our primary

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custodians(s). The specific fee schedule charged by us is provided in the client's agreement with us.

- B. *Payment of Management Fees.* We bill clients on a quarterly basis, either in arrears or in advance. We typically collect our fees by debiting them from clients' accounts at the third-party custodian. Before debiting client fees, we will obtain client authorization to do so, and prepare an invoice showing the amount of the fee, the value of the client's assets upon which the fee was based, and the manner in which the fee was calculated. The account custodian will send a statement to the client, at least quarterly, showing all disbursements from the account, including advisory fees paid to us. Clients who permit us to debit their fees are encouraged to confirm the accuracy of the fee, because while we have various controls designed to accurately determine client fees, the custodian does not confirm the accuracy of the fee. We permit clients who do not wish to have their accounts debited to select another method of payment.

In most cases, the advisory agreement may be terminated at any time by either party upon written notice to the other party. The client also has the right to terminate an agreement without paying any advisory fees within five (5) business days after entering into the agreement.

- C. *Other Fees in Connection with Adviser Services.* Our fees are exclusive of brokerage commissions, transaction fees, and any other related costs and expenses incurred to invest the assets in their accounts. Clients are responsible for any fees and charges imposed by custodians, brokers, third party investment managers, and other third parties. Such fees may include, but are not limited to, 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, our fee. We do not receive any portion of these commissions, fees, and costs. Further information about our brokerage practices is available in Item 12 of this Brochure.

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Treasury & Credit Solutions, LLC ("FTCS"). FTCS is compensated by sharing in the revenue earned by such third-party institutions for serving our clients. For non-mortgage loans, FTCS will receive up to 0.50% annually of outstanding loan balances. For mortgage loans, FTCS will receive a one-time payment of up to 1.00% of the mortgage loan amount, up to 0.50% annually of outstanding loan balances, or a combination of the two. FTCS's earned revenue is indirectly paid by our clients through an increased interest rate charged



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by the financial institutions or, for cash balances, a lowered yield. The amount of revenue earned by FTCS for these financial solutions will vary over time in response to market conditions, including the interest rate environment, and other factors such as the volume and timing of loan closings. The amount of revenue earned by FTCS for a particular financial solution will also differ from the amount of revenue earned by FTCS for other types of financial solutions. Further information on this conflict of interest is available in Item 10 of this Brochure.

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers either directly, or by introducing clients to our affiliate, Focus Risk Solutions, LLC (“FRS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. FRS has arrangements with certain third-party insurance brokers (the “Brokers”) under which the Brokers assist our clients with regulated insurance sales activity. If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, then FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. Further information on this conflict of interest is available in Item 10 of this Brochure.

We provide clients with consulting services for a negotiated fee based on the services provided. These services may include one or more of the following, but is not limited to: financial position planning; retirement planning; family financial security; education planning; income tax planning; estate planning; small business planning; succession planning; and financial planning. The negotiated fee may be one of: (1) a one time flat fee; (2) an on-going flat fee billed in pre-determined increments; or (3) an hourly fee. The fee arrangement will be clearly identified in an executed agreement between parties.

We also offer clients 401(k) advisory services. The fees for these services are based on the market value of the retirement plan’s assets. The specific fees are mutually agreed upon by both parties at the outset of the relationship, and may be amended as agreed upon by both parties thereafter. Clients receiving similar services may pay different fees as all rates are negotiated and vary according to the facts and circumstances including the scope of service to be provided, the duration of the services and the size of the client. Fees for 401(k) advisory services are assessed monthly or quarterly in arrears. Such fees will be automatically deducted from the client’s account by the provider. Fees are collected by the platform and paid directly to us.

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- D. *Billing of Fees.* Our fees are billed quarterly in arrears or advance. Each quarter, IOC will send the client an invoice clearly detailing the calculation of the fees billed.

In most cases, the advisory agreement may be terminated at any time by either party upon written notice to the other party. Where an agreement is terminated the client will be billed for all earned unpaid fees, due immediately.

- E. *Compensation for the Sale of Securities.* We or our supervised persons may accept compensation for the sale of insurance products.

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

We do not accept performance-based fees, and so do not need to discuss potential conflicts of interest related to side-by-side management of client accounts that pay such fees.

### **Item 7 – Types of Clients**

Our clients primarily are high net worth individuals, trusts, charitable and non-profit organizations, individuals (other than high net worth individuals), corporations and other investment advisers.

### **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.**

- A. *Methods of Analysis.* Adviser employs a wide range of information in formulating investment advice and managing assets. Information sources include, but are not limited to, the following: (i) financial newspapers and magazines, (ii) research prepared by other organizations, (iii) annual reports, prospectuses, and other SEC filings, and (iv) company press releases, presentations, and other corporate communications. Adviser also purchases and reviews information from recognized financial services information aggregators. Adviser created and currently utilizes screening programs populated with the data purchased from the recognized information aggregators. Adviser may utilize its own proprietary valuation models for securities analysis. Finally, in the evaluation of third-party managers, Adviser utilizes resources made available by Springtide. In general, Adviser employs fundamental analysis of the US economy, the global economy, and specific securities to provide investment advice and manage client assets.
- B. *Investment Strategies.* Investment strategies are generally tailored to clients' respective goals, investment objectives, risk tolerance, and personal and financial circumstances.

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1. *Large Capitalization Equity Portfolio.* This portfolio strategy will generally hold between 25 to 35 securities. The return objective is 80% and 50% of the upside/downside of the S&P 500 Stock Index over a full market cycle. There are no limits with respect to the allocation to an economic sector or individual positions. The portfolio is generally long equity securities. The manager, however, may sell calls against positions, write puts to acquire stock, buy puts to protect value, or sell securities or indexes short to protect the portfolio from decline. There are no geographic limitations with respect to the origin of investments. Margin borrowing is not generally utilized and its use must be approved in advance by the client. It is the Adviser's goal to have low to modest turnover and hold the assets to capture the long term performance of the securities.

Risks include, but are not limited to, investment concentration, economic sector concentration, and all risks associated with investing in equity securities and options.

2. *Equity Income and Option Portfolio.* This portfolio strategy will typically hold 25 to 35 stocks and generate income by selling covered calls or writing puts secured by cash. There are no limits with respect to the allocation to an economic sector or individual positions. The manager may write puts to acquire stock, buy puts to protect value, or sell securities or indexes short to protect the portfolio from decline. There are no geographic limitations with respect to the origin of investments. Margin borrowing is not generally utilized and its use must be approved in advance by the client. Turnover may be high when securities are called away by the owners of the call options sold against the equity positions. If the term of the options sold is less than one year, and the securities are called away, the portfolio may not be tax efficient. The tax efficiency of the portfolio depends on the holding period of the underlying equity securities and certain other rules under the United States Tax Code.

Risks include, but are not limited to, investment concentration, economic sector concentration, and all risks associated with investing in equity securities.

Additional risks include foregone upside appreciation if the stock prices exceed the strike price of the calls during or at the end of the option term. Finally, the portfolio may not be tax efficient and brokerage commissions are levied on both the stocks and the call options when positions are purchased or sold.

3. *Equity Hedge Portfolio.* The portfolio strategy will typically hold active or passive long positions and broader short market positions to pursue a long and short equity strategy with the ability to tactically adjust the net market exposure of the portfolio. The net long exposure (long positions minus short positions) can

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range from minus 100 percent to plus 100 percent (or higher with margin lending), but will generally range from plus 20 percent to plus 100 percent. Adviser utilizes the methods of analysis described in Item 8A above. The portfolio will generally own between twenty and thirty long positions and fewer short positions. Adviser may also utilize indexes for long positions as well as short positions. There are no limits with respect to the allocation to an economic sector or individual positions. There are no geographic limitations with respect to the origin of investments. Margin borrowing may occur from time to time. It is the Adviser's goal to have low to modest turnover on the long positions and hold the assets to capture the long term performance of the securities. Short positions are, by definition, tax inefficient and capital gains and losses will be characterized as short term regardless of the holding period of the short position.

Risks include, but are not limited to, investment concentration, economic sector concentration, and all risks associated with investing long and short in equity securities. Additional risks include foregone upside appreciation if stock prices advance while the portfolio is hedged.

4. *Global Exchange-Traded Funds ("ETF") Portfolio.* This portfolio strategy is an actively managed global equity portfolio primarily invested in ETFs. The portfolio generally contains 20 to 35 positions. ETF portfolios may be invested in funds holding domestic and / or global securities. Sector and market weights may be adjusted according to Advisor's expectations of return and risk. Models are based on the premise that sector and market allocations are primary factors that drive investment returns.

Risks include, but are not limited to, investment concentration, economic sector concentration, and all risks associated with equity and ETF securities.

5. *Tactical Diversifying Portfolio.* This portfolio strategy is an actively managed tactical portfolio that seeks to provide diversification benefits by broadening the sources of risk and return. The portfolio currently contains ETFs that are invested in commodities, foreign currencies, bonds and funds holding domestic and/or global securities, but the holdings and exposures are unconstrained and can be changed relatively quickly. The strategy may hold positions with K-1 tax reporting.

Risks include, but are not limited to, investment concentration, economic sector concentration, and all risks associated with investing in commodities, equity and ETF securities.

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6. *Customized Investment Strategies.* Where called for in our engagement, we will customize investment strategies to meet the objectives of its clients. In addition to equity securities, options and ETFs, we may invest client assets in fixed-income instruments, mutual funds, private investments and any other securities that meet the risk and return objectives agreed to by the client and Adviser.

C. *Risk of Loss and Particular Type of Security.*

Equity Market Risks. The value of equity securities can and will decline from time-to-time due to fluctuation in the earnings of the company invested in and in the stock market. Stock prices change as a result of many factors, including developments affecting the condition of both individual companies and the general economic environment. General market decline in the stock prices for all companies may cause stock values to decline over longer periods (e.g. bear markets), regardless of an individual security's long-term prospects. Investing in individual stocks incurs risk, including bankruptcy, which could materially impair a stock's share price and cause a client portfolio to suffer losses.

ETFs and Mutual Fund Risks. ETFs and mutual funds are often considered less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, the funds success will be related to the skills of their particular managers and their performance in managing their funds.

ETFs can have risks relating to liquidity, index tracking and trading, largely depending on the characteristics of the underlying securities. ETN's can have risk relating to illiquidity, index tracking, trading and credit worthiness of the ETN issuer.

Risks Associated with Options. Our equity income strategy makes significant use of options writing (usually selling "call" options) for the purpose of generating income. Investors in this strategy should note the risks related to writing options. The writer of a "call" option receives premium payments in exchange for the obligation to sell stock to the holder of the option at the agreed-upon strike price. The writer of a call option could potentially incur substantial losses in the event of significant and sudden increases in the price of the underlying security. If the option is exercised, the writer of the call option is exposed to potential losses of the difference between the strike price of the option and the market price of the underlying security when exercised. The potential for loss is greatest where the call is "uncovered," meaning that the writer does not hold the underlying security. However, to the extent that a call is written against a security held in an account, the account will not realize the benefit of increases in the price of the security.

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The writer of a “put” option receives premium payments in exchange for the obligation to purchase stock from the holder of the option at the agreed-upon strike price. The writer of a put option could potentially incur substantial losses in the event of significant and sudden declines in the price of the underlying security. If the option is exercised, the writer of the put option is exposed to potential losses of the difference between the strike price of the option and the market price of the underlying security when exercised. The potential for loss is greatest where the put is “uncovered” and the writer of the option has not reserved cash to cover the cost of purchasing the delivered security. We seek to mitigate this risk by securing any put options we write with cash.

Sales of options also are subject to the costs and risks of trading on margin, which include the magnification of trading gains and losses and the potential for forced liquidation of a position at fire sale prices in order to meet margin maintenance requirements.

For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

Foreign Securities Risks. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Additionally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security’s underlying foreign currency.

Fixed Income Risks. While investing in fixed income instruments, either directly or through funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), liquidity risks (risks that trading a security will become difficult or costly) and/or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Private Investment Funds. Investments in alternative assets, such as hedge funds, private equity funds, and other private investment funds often are: (i) highly speculative and invest in complex instruments and structures including derivatives and structured products; (ii) illiquid with limited withdrawal or redemption rights; (iii) leveraged; (iv) subject to significant volatility; (v) subject to long holding periods; (vi) less transparent

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than public investments; (vii) subject to significant restrictions on transfers; (viii) affected by complex tax considerations; and (ix) in the case of private equity funds, affected by capital call default risk. In addition to the above, investors in these strategies will be subject to fees and expenses which will reduce profits or increase losses. Please refer to the private placement memorandum of each private investment fund for a discussion of the principal risks specific to that investment fund's strategies.

Additional considerations:

1. *COVID-19 Outbreak and Other Public Health Risks.*

The transmission of COVID and efforts to contain its spread have resulted in border closings and other travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention has revised its guidance, travel restrictions have started to lift, and businesses have reopened. However, the COVID pandemic continues to evolve and the extent to which our investment strategies will be impacted will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. Volatility in the U.S. and global financial markets caused by the COVID pandemic may continue and could impact our firm's investment strategies.

Although currently there has been no significant impact, the COVID outbreak, and future pandemics, could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks.

2. *Margin Leverage*

Adviser may utilize leverage in limited circumstances. The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement.

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Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

*3. Short Selling*

Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is affected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

*4. Cybersecurity*

The computer systems, networks and devices used by IOC and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial



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costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

**Item 9 – Disciplinary Information**

A. *Criminal or Civil Actions*

In 2012, Michael Carlin received a complaint letter alleging he made an unsuitable recommendation to a client claiming losses in excess of \$35,000. Michael and his firm denied all of the allegations on the basis that there was no evidence supporting the allegation and no realized losses could be attributed to the recommendation in question. The complaint was denied in July of 2012. In September of 2012, Michael’s firm at the time received notice of a simplified arbitration proceeding for the same matter, seeking \$23,000 in damages. Michael and his firm continued to deny all allegations and still does. But, to avoid further time spent and costs associated with the dispute, and without any admission of wrongdoing, the parties settled the matter for \$13,500.

B. *Administrative Enforcement Proceedings*

There is nothing to report on this item.

C. *Self-Regulatory Organization Enforcement Proceedings*

There is nothing to report on this item.

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

A. *Registered with Broker Dealer.* Neither Adviser nor its affiliates are registered broker-dealers and do not have an application to register pending.

B. *Futures or Commodity Registrations.* Neither Adviser nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

C. *Material Relationships Maintained by this Advisory Business and Conflicts of Interest.*

*Focus Financial Partners*

As noted above in response to Item 4, certain funds affiliated with CD&R collectively are indirect majority owners of Focus Inc., and certain funds affiliated

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with Stone Point are indirect owners of Focus Inc. Because IOC is an indirect, wholly-owned subsidiary of Focus Inc., CD&R and Stone Point investment vehicles are indirect owners of IOC.

*Focus Treasury & Credit Solutions*

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Treasury & Credit Solutions, LLC (“FTCS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. These third-party financial institutions are banks and non-banks (the “Network Institutions”) that offer credit and cash management solutions to our clients. Certain other unaffiliated third parties provide administrative and settlement services to facilitate FTCS’s cash management solutions. FTCS acts as an intermediary to facilitate our clients’ access to these credit and cash management solutions.

FTCS receives a portion of the revenue earned by the Network Institutions for providing services to our clients. For non-mortgage loans, FTCS will receive up to 0.50% annually of outstanding loan balances. For mortgage loans, FTCS will receive a one-time payment of up to 1.00% of the mortgage loan amount, up to 0.50% annually of outstanding loan balances, or a combination of the two. FTCS’s earned revenue is indirectly paid by our clients through an increased interest rate charged by the Network Institutions for credit solutions or reduced yield paid by the Network Institutions for cash management solutions. For clients of certain affiliates of Focus Financial Partners, LLC, FTCS has agreed to waive the earned revenue that it receives, which results in a lower interest rate on lending solutions or a higher yield on cash management solutions for those clients. The amount of revenue earned by FTCS for these financial solutions will vary over time in response to market conditions, including the interest rate environment, and other factors such as the volume and timing of loan closings. The amount of revenue earned by FTCS for a particular financial solution will also differ from the amount of revenue earned by FTCS for other types of financial solutions. Such fees are also revenue for our common parent company, Focus Financial Partners, LLC. Accordingly, we have a conflict of interest when recommending FTCS’s services to clients because of the compensation to our affiliates, FTCS and Focus. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FTCS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FTCS’s services

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will receive product-specific disclosure from the Network Institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend FTCS to provide credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidating some or all of the assets we manage.

*Credit Solutions from FTCS*

For FTCS credit solutions, the interest rate of the loan is ultimately determined by the lender, although in some circumstances FTCS may have the ability to influence the lender to lower the interest rate of the loan. As noted above, FTCS's earned revenue is indirectly paid by you through an increased interest rate charged by the lender. The final rate may be higher or lower than the prevailing market rate. We can offer no assurances that the rates offered to you by the lender are the lowest possible rates available in the marketplace.

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While the FTCS program facilitates secured loans through Network Institutions, clients are free instead to work directly with institutions outside the FTCS program. Because of the limited number of participating Network Institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A Network Institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The Network Institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the Network Institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more

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aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

*Cash Management Solutions from FTCS*

For FTCS cash management solutions, as stated above, certain third-party intermediaries provide administrative and settlement services in connection with the program. Those intermediaries each charge a fixed basis point fee on total deposits in the program. Before any interest is paid into client accounts, the Network Institutions and certain unaffiliated third-party service providers take their fees out, and the net interest is then credited to clients' accounts. The fees debited by the Network Institutions include FTCS's earned revenue. Engaging FTCS, the Network Institutions, and these other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes.

Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the Network Institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in the FTCS cash management program if the client prefers to hold cash at the Network Institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

*Focus Risk Solutions*

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC ("Focus"). FRS acts as an intermediary to facilitate our clients' access to insurance products. FRS has agreements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity.

If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, FRS will receive a portion of the upfront and/or

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ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. This revenue is also revenue for our and FRS's common parent company, Focus. Accordingly, we have a conflict of interest when recommending FRS's services to clients because of the compensation to certain of our financial professionals and to our affiliates, FRS and Focus. We address this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FRS's services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate, and may be higher than if the policy was purchased directly through the Broker without the assistance of FRS. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

D. *Recommended Third Party Advisers.* Adviser has no information applicable to this Item.

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

We have adopted a Code of Ethics for all supervised persons of the firm describing its 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, 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 must acknowledge the terms of the Code of Ethics annually, or as amended.

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which hawse have management authority to affect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which

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we, our supervised persons and/or clients, directly or indirectly, have a position of interest. Our supervised persons are required to follow our Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our supervised persons 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 supervised persons 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 our clients. In addition, the Code requires pre-clearance of many transactions, and may restrict trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit supervised persons to invest in the same securities as clients, there is a possibility that supervised persons might benefit from market activity by a client in a security held by a supervised person. Trading of supervised persons is monitored under the Code of Ethics to prevent conflicts of interest between us and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Partially filled orders will be allocated on a pro rata basis when practical.

Our clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Forrest Sumlar, our Chief Compliance Officer.

It is our policy that the firm will not affect any principal or agency cross securities transactions for client accounts. We 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.

*Private or Closely Held Securities*

We may from time to time recommend or provide access to certain closely held investment opportunities to its clients. We will make a reasonable determination as to the suitability of the investment for each of its clients and may not offer the investment to all its clients based upon its sole determination of suitability. Certain conflicts of interest may arise between us and our clients. These conflicts include, but are not limited to (i) us advising clients who may be in conflict with one another regarding certain company matters, and (ii) the maintenance by us of

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concurrent client relationships with both the company manager and client / investors in the company

**Item 12 – Brokerage Practices**

A. *Broker-Dealer Selection.*

1. *Research and Other Soft Dollar Benefits.* Adviser has not entered into any soft dollar arrangements with broker dealers. Adviser does, however, receive access to the general research database provided by custodians who are also acting as a broker-dealer to its clients. Adviser has access to multiple sources of data and research which serves to minimize the reliance on any single custodian's services (See Item 8.A).
2. *Brokerage for Client Referrals.* Adviser has no information applicable to this Item.
3. *Custody / Broker-Dealer Recommendations and Directed Brokerage.* Most client transactions occur at the custodian recommended by Adviser and selected by the client. Adviser, however, maintains the capabilities to execute transactions away from the primary custodian when it is advantageous to do so or when execution at the primary custodian is not possible.

Adviser recommends custodians who serve as broker-dealers for its clients. The recommendation is based on a number of factors. Adviser evaluates a wide range of criteria, including the custodian / broker's commission rate, execution, capability, back office efficiency, and ability to handle certain trades. Adviser may not always recommend custodian / broker-dealers on the basis of the lowest commission rate available. The ability of the custodian / broker dealer to service the identified needs of a particular client are considered for each custodian / broker-dealer recommendation.

We typically recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, and / or other custodians, to maintain custody of clients' assets and to effect trades for their accounts. Schwab provides quality execution, trade settlement and servicing of client accounts at reasonable prices. Schwab also refers clients to us and provides us with various products and services. While we usually recommend that clients custody their accounts at Schwab, our clients decide where they choose to custody their assets.

When recommending a custodian broker-dealer, we consider a wide range of factors, including, among others, the following:

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- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
  - capability to execute, clear, and settle trades (buy and sell securities for client accounts);
  - capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
  - breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.);
  - availability of investment research and tools that assist us in making investment decisions;
  - quality of services;
  - competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
  - reputation, financial strength, and stability of the provider;
  - their prior service to us and our other clients; and
  - the availability of other products and services that benefit us, as discussed below.
4. *Institutional Trading and Custody Services.* The custodian provides Adviser with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the adviser's clients' assets are maintained in accounts at a particular custodian. These services are not contingent upon Adviser committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.
5. *Other Products and Services.* Custodian also makes available to Adviser other products and services that benefit Adviser but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Adviser's accounts, including accounts not maintained at custodian. The custodian may also make available to Adviser software and other technology that may include the following:
- access to client account data (such as trade confirmations and account statements);
  - facilitate trade execution and allocate aggregated trade orders for multiple



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- client accounts;
- research, pricing and other market data;
- facilitate payment of Adviser's fees from its clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

The custodian may also offer other services intended to help Adviser manage and further develop its business enterprise. These services may include the following:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, information technology providers, human capital consultants and insurance providers.

The custodian may also provide other benefits such as educational events or occasional business entertainment of Adviser personnel. In evaluating whether to recommend that clients custody their assets at the custodian, Adviser may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

6. *Independent Third Parties.* The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to Adviser. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to Adviser.
7. *Additional Compensation Received from Custodians.* Adviser may participate in institutional customer programs sponsored by broker-dealers or custodians. Adviser may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between Adviser's participation in such programs and the investment advice it gives to its clients, although Adviser receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):
  - receipt of duplicate client statements and confirmations;
  - research-related products and tools;
  - consulting services;
  - access to a trading desk serving Adviser participants;

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- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and
- discounts on compliance, marketing, research, technology, and practice management products or services provided to Adviser by third-party vendors.

The custodian may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Adviser's personnel to attend conferences. Some of the products and services made available by such custodian through its institutional customer programs may benefit Adviser but may not benefit its client accounts. These products or services may assist Adviser in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

As part of its fiduciary duties to clients, Adviser endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Adviser's recommendation of broker-dealers for custody and brokerage services.

Certain clients have requested that Adviser use particular or preferred custodians or broker-dealers for executing transactions in their accounts. To the extent brokerage is directed to particular or preferred broker-dealers, Adviser's ability to pursue the brokerage transaction policies set forth above, including Adviser's ability to seek execution of transactions as efficiently as possible, may be limited or eliminated. This type of directed relationship may lead to higher transactions costs.

Upon request, additional information will be available to any client regarding brokerage arrangements.

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- B. *Order Aggregation.* Since Adviser may be managing accounts with similar investment objectives, Adviser may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by the Adviser in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. On certain occasions, Adviser may not aggregate orders. In most cases, Adviser does not believe that that transactions costs incurred are materially different from an aggregated order costs because Adviser's brokerage rates are not affected by the size of the order. In most cases, Adviser makes an effort to aggregate the trades. There are also cases where non-aggregated trades may actually benefit via better trade execution. Finally, Adviser attempts to rotate custodians when trading so that each client group is treated fairly.

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**Item 13 – Review of Accounts**

- A. *Account Review and Planning.* Adviser reviews accounts, revises asset allocations, and generates financial planning as needed. Accounts are reviewed periodically, but not less than quarterly. Accounts are reviewed by the CEO, Chief Investment Officer, CFO, or Portfolio Managers.
- B. *Account Review Triggers.* Non-periodic account reviews may be caused by market conditions, domestic or global economic events, current events, security specific issues, changes in client objectives, and / or a change in Adviser’s opinion on the risk and return opportunities prevailing in financial markets.
- C. *Reporting.* Written reports are issued quarterly or semi-annually. The reports typically include aggregate portfolio performance, performance by account, realized gains and losses, and income and expense items. Monthly reporting and further customized reports are available at the discretion of the Adviser. Adviser may also generate interim reports at the request of a client. Benchmarks are typically utilized for the total portfolio and on an account by account basis.

From time to time, IOC may include a client’s private investments within periodic reports sent to clients. This service is provided for the benefit of IOC’s clients. It permits them to view their entire portfolio for the purpose of financial planning and plan monitoring. IOC’s standard procedure is to carry the assets at values provided by the client. IOC notes the source of the valuation on its periodic reports to clients.

In addition, the client’s independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian’s statement is the official record of the client’s securities account and supersedes any statements or reports created on behalf of the client by Adviser.

**Item 14 – Client Referrals and Other Compensation**

- A. *Compensation from a Third Party for Providing Advice to Adviser Clients.*

IOC’s parent company is Focus Financial Partners, LLC (“Focus”). From time to time, Focus holds partnership meetings and other industry and best practices conferences, which typically include IOC, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including IOC. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including IOC. Although the participation of Focus firm personnel in these

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meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause IOC to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including IOC. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus from January 1, 2022 to March 1, 2023:

Orion Advisor Technology, LLC  
TriState Capital Bank  
StoneCastle Network, LLC  
Charles Schwab & Co., Inc.  
BlackRock, Inc.  
Fidelity Brokerage Services LLC  
Fidelity Institutional Asset Management LLC

You can access a more recently updated list of recent conference sponsors on Focus' website through the following link:

<https://focusfinancialpartners.com/conference-sponsors/>

**B. *Compensation for Third Party Referrals.***

Adviser receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Adviser's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with Adviser. Schwab does not supervise Adviser and has no responsibility for Adviser's management of clients' portfolios or Adviser's other advice or services. Adviser pays Schwab fees to receive client referrals through the Service. Adviser's participation in the Service may raise potential conflicts of interest described below.

Adviser pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Adviser is a percentage of the fees the client owes to Adviser or a percentage of the value of the

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assets in the client's account, subject to a minimum Participation Fee. Adviser pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Adviser quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Adviser and not by the client. Adviser has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Adviser charges clients with similar portfolios who were not referred through the Service.

Adviser generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Adviser generally would pay in a single year. Thus, Adviser will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Adviser's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Adviser will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Adviser's fees directly from the accounts.

For accounts of Adviser's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Adviser's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Adviser may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Adviser nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Adviser's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

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Adviser also has arrangements in place with certain third parties, called solicitors, under which such solicitors refer clients to us in exchange for a percentage of the advisory fees we collect from such referred clients. Such compensation creates an incentive for the promoters to refer clients to us, which is a conflict of interest for the solicitors. Rule 206(4)-1 of the Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the solicitor is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the solicitor. Accordingly, we require solicitors to disclose to referred clients, in writing: whether the solicitor is a client or a non-client; that the solicitor will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

### **Item 15 – Custody**

Adviser is deemed to have custody of client funds when client fees are debited directly by a qualified custodian who then automatically pays Adviser. Adviser, although deemed to have custody, is exempt from (i) having to be subjected to a surprise annual audit, and (ii) having to deliver a balance sheet to advisory clients, provided the client's assets upon which the advisor's fee is calculated and paid are maintained by a qualified custodian who agrees to send no less frequently than quarterly a statement of all transaction activity, cash, and securities balances to the client. Adviser is required to confirm with the custodian that the custodian has sent statements to a client no less frequently than quarterly.

At a minimum, clients will receive quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Adviser urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Adviser statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Adviser is also deemed to have custody of client funds when a standing authorization is provided for Adviser to transfer funds or securities for a purpose other than authorized trading. Adviser, although deemed to have custody, Adviser is exempt from having to be subjected to a surprise annual audit, provided that:

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- 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**

We manage most client accounts on a discretionary basis. Clients who give us investment discretion do so pursuant to a limited power of attorney in their client agreement with us. The limited power of attorney gives us the authority to select the identity and amount of securities to be bought or sold (consistent with their investment objectives) without advance consultation with the client. Clients who engage us on a discretionary basis may, at any time, impose reasonable restrictions, in writing, on our discretionary authority. We reserve the right, in our sole discretion, to reject any proposed restrictions.

Some clients have engaged us on a nondiscretionary basis. In such cases, we are required to seek the client's consent before trading the assets in their accounts.



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**Item 17 – Voting Client Securities**

Clients may obtain a copy of Adviser’s complete proxy voting policies and procedures upon request. Clients may also obtain information from Adviser about how Adviser voted any proxies on behalf of their account(s). Adviser clients can elect to vote their own proxies.

Proxy Voting

When Adviser has proxy voting power with respect to securities in a client's account, it owes certain fiduciary duties with respect to the voting of proxies.

Proxy Voting Decisions

Adviser’s portfolio management team will monitor corporate actions, make proxy voting decisions, describe the basis on which a proxy voting decision is made if the decision is inconsistent with this Proxy Voting Policy, and be responsible for ensuring that proxies are submitted in a timely manner. As a general rule, Adviser will vote all proxies relating to a particular proposal the same way for all client accounts holding the security, unless a client specifically instructs Adviser in writing to vote such client's securities otherwise. When making proxy voting decisions, Adviser may seek advice or assistance from third party consultants, such as proxy voting services or legal counsel.

Conflicts of Interest

Adviser has adopted a Code of Ethics and other compliance policies and procedures to preserve the independence of its investment advice to its clients. Nonetheless, from time to time, a proxy proposal may still involve a conflict between the interests of Adviser's client and the interests of Adviser or an affiliated person of IOC. For example, a conflict would arise if IOC client accounts held securities issued by a company and that company (or its affiliate or pension plan) was also IOC's client.

IOC personnel responsible for voting client proxies may consult with the Chief Compliance Officer, who may consult with legal counsel if necessary, to determine whether a material conflict appears to exist with respect to a given proxy proposal. When a material conflict appears to exist and cannot be adequately addressed or resolved by IOC's other policies and procedures (including IOC's Proxy Voting Guidelines) established procedures will be followed, including client disclosure, to address the conflict.

InterOcean Capital Group, LLC  
Form ADV Part 2A

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A copy of Adviser's Proxy Voting Policy will be provided upon receipt of a written request. Such requests may be sent to:

Chief Compliance Officer  
InterOcean Capital, LLC  
980 North Michigan Avenue, Suite 1780  
Chicago, Illinois 60611

**Item 18 – Financial Information**

*A. Balance Sheet*

Adviser does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

*B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients*

Adviser does not have any financial issues that would impair its ability to provide services to clients.

*C. Bankruptcy Petitions during the Past Ten Years*

There is nothing to report on this item.

FACTS	<b>WHAT DOES INTEROCEAN CAPITAL GROUP, LLC DO WITH YOUR PERSONAL INFORMATION?</b>
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social security number</li> <li>• Income</li> <li>• Employment and residential information</li> <li>• Cash balance</li> <li>• Security balances</li> <li>• Transaction detail history</li> <li>• Investment objectives, goals, and risk tolerance</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share <b>customers'</b> personal information to run their everyday business. In the section below, we list the reasons financial companies can share their <b>customers'</b> personal information; the reasons InterOcean Capital Group, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does InterOcean Capital Group, LLC share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We do not share
<b>For nonaffiliates to market to you</b>	No	We do not share

<b>Questions?</b>	Call InterOcean Capital Group, LLC at 312-648-1720.
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Who we are	
Who is providing this notice?	InterOcean Capital Group, LLC
What we do	
How does InterOcean Capital Group, LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does InterOcean Capital Group, LLC collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Establish an investment advisory relationship</li> <li>• Contract for financial planning services</li> <li>• Open an account or deposit money with custodians</li> <li>• Purchase or sell securities with an executing broker-dealer</li> </ul> <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>Our affiliates include Focus Operating, LLC Focus Treasury &amp; Credit Solutions, LLC, and Focus Risk Solutions, LLC.</i></li> </ul>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ <i>InterOcean Capital Group, LLC does not share with nonaffiliates so they can market to you.</i></li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ <i>InterOcean Capital Group, LLC does not jointly market.</i></li> </ul>
Other important information	