

Executive Asset Management, Inc.  
Firm Brochure  
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**Office Location**

Executive Asset Management, Inc  
110 Trealout Dr, #101  
Fenton, MI 48430

**Contact Information**

Ph: 810-750-1744  
Fax: 810-885-6175  
Email: [Steve@eamria.com](mailto:Steve@eamria.com)

This brochure provides information about the qualifications and business practices of Executive Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at 810-750-1744 or [Steve@eamria.com](mailto:Steve@eamria.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Executive Asset Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## 1. Advisory Services and Fees

**Executive Asset Management, Inc. (“EAM” or “Adviser”)** provides clients with a variety of fee-based services to include: **Investment Management, Consultation and Financial Planning.**

The term “fee based” within this document means the Adviser does not accept commissions for the implementation of securities but Advisory Representatives who are appropriately licensed insurance agents receive normal commissions from insurance companies. The individuals authorized to provide investment advisory services on behalf of the Adviser are known as “*Advisory Representatives*”. This “brochure” contains information about EAM’s services, fees, and business activities.

EAM is committed to helping its clients build, manage, and preserve their wealth, and to provide assistance in helping clients to achieve their stated financial goals. The Adviser may offer an initial complimentary consultation to review the client’s interests, needs and objectives and to discuss the services available. Investment Advisory Services are initiated only after the client and Adviser execute an engagement letter or client agreement.

EAM may offer an initial complimentary consultation to review new client’s needs and objectives and the services offered by the Adviser. Investment Advisory Services are initiated only with the execution of a client agreement.

**Investment Management Services** involve the initial start-up, review and update implementation as well as the ongoing management of Client’s portfolios.

The first step of EAM’s services includes an intensive interview and data gathering in an effort to help determine the client’s present situation, individual needs, goals, time horizons and risk tolerance. Based upon information provided by the client, the Adviser will prepare an investment plan and recommendations for investments, which will generally focus on long-range goals (i.e. retirement planning or college funding) or other segments of an investment plan that may be desired. Investments may include short-term instruments (i.e. T-Bills), stocks, bonds, no-load mutual funds (no-load and low expense). Clients’ portfolios may also consist of other investment vehicles that were held prior to engagement or as otherwise agreed. The nature of services is tailored to the type of client and is agreed upon at the time of engagement.

Once a portfolio has been designed and implemented, the underlying assets of client portfolios are reviewed internally on a frequent basis (perhaps daily or weekly, but no less than quarterly) as noted in the client agreement. Reviews entail analyzing client portfolios, securities, sensitivity to overall markets, economic changes, investment results and asset allocation, etc., to help ensure

the investment strategy and expectations are structured to continue to meet clients' stated needs and objectives. If needed, EAM may also rebalance portfolios, based upon the stated needs and objectives. However, each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. The clients' active participation and involvement in the development of the portfolio as well as the ongoing Investment Management is preferred. EAM encourages clients to stay in contact with the Adviser but will recommend client reviews occur at least annually. However, clients are obligated to contact EAM promptly if there has been any change in current financial status information to determine if there needs to be a change in investment objectives. Clients may call the office at any time during normal business hours to discuss directly with an Advisory Representative of EAM, the Client's account, financial situation or investment needs.

Clients will receive monthly transaction statements from the custodian or brokerage firm. Additionally, EAM may prepare monthly or quarterly portfolio reports of various types, if requested at the time of engagement.

The client will have a direct and beneficial interest in his/her securities, rather than in undivided interest in a pool of securities. Clients have the ability to leave standing instructions (limited discretionary authority) with the Adviser to refrain from investing in particular industries, invest in limited amounts of securities, and to re-balance their portfolios. Limited discretion is only available with the client's written authorization. Clients retain the authority to vote proxies and will be required to ensure that proxy materials are sent directly to them. EAM will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

The Adviser does not and will not have custody of clients' funds or securities except for the ability to withdraw advisory fees through a qualified custodian, when authorized by the client. The following criteria is met in accordance with the SEC's Investment Advisers Act of 1940 when advisory fee payment is made via the custodian: 1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon advisory fees; (2) The client has the opportunity to inquire about the deducted fee amount by contacting the Adviser directly; (3) The frequency of fee withdrawal shall be specified in the written authorization/agreement; (4) The custodian of the account shall be advised in writing of the limitation on the Advisor's access to the account; (5) The custodian agrees to send to the client, a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to the Advisor; (6) The client shall be able to terminate the written billing authorization or agreement at any time. Since the custodian does not verify advisory fees deducted from the account, clients should review statements and promptly contact the Advisor directly with questions or concerns.

The Adviser's investment management fee may be modified in certain circumstances based upon the nature of services, complexities, pre-existing relationships, or at the Adviser's discretion. The Adviser reserves the right to waive advisory fees for family members and staff. Advisory fees are determined and agreed to at the time of engagement and are based upon the amount and nature of assets to be managed, client needs, time and effort, complexity of services, or other factors, and at the discretion of the Adviser. Investment Management fees are payable monthly/quarterly and in advance of services at a rate equal to one twelfth/one quarter of the annual percentage multiplied by the balance on the last trading day of the preceding calendar month/quarter as indicated in the advisory agreement. The portfolio's market value is determined by the client's custodian. Where services are initiated at anytime other than the beginning of a calendar month/quarter, fees will be prorated.

The annual Investment Management fees are as follows:

<u>Portfolio Size</u>	<u>Annual %</u>
First \$249,999	1.50%
\$250,000 to \$499,999	1.25%
\$500,000 to \$999,999	1.00%
\$1,000,000 to \$3,000,000	.75%
\$3,000,001 to \$5,000,000	.60%
Over \$5,000,000	.50%

In the event a client should require additional consultation services on issues unrelated to the managed portfolio or issues outside the scope of the Advisor's engagement, these services are available at the Adviser's hourly rate.

Fees will not be based upon a share of capital gains or capital appreciation of the funds of any portion of funds of an advisory contract (also known as "performance-based fees"). Advisory fees are not collected for services to be performed more than six months in advance and in excess of \$500, as this type of fee arrangement would result in constructive custody of funds. The aforementioned advisory fees represent fees for advisory services of EAM only. Clients pay transaction fees to broker/dealers and fees to other service providers, as may be applicable (e.g., retirement plan fees, trust account fees, etc.). EAM does not receive any portion of these fees. Fees paid to EAM are for advisory services and are separate from the fees and expenses charged to shareholders of mutual funds shares by the fund companies, or by the investment adviser managing the fund portfolios. A complete explanation of the expenses charged by mutual funds is contained in each fund's prospectus. Investors are strongly encouraged to read any offering document or prospectus before investing.

EAM may aggregate (or bunch) trades when executing transactions for its various clients, but at times, may not, due to the individualized nature of services. Aggregation is more often undertaken in firms processing large orders of

securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. The Adviser believes its fees are competitive and fees associated with advisory services may be higher or lower than at other financial institutions. Clients are encouraged to discuss any questions that may arise regarding investment policies throughout the course of our engagement.

Investment Management Services are ongoing until the client receives notice of renewal or termination. Advisory fees may be adjusted with 30 days written notice. Either party may terminate Investment Management Services when desired and with written notice. Where the client has not received EAM's Form ADV Part II at least 48 hours prior to engagement, the client may terminate the Investment Management Agreement without penalty (full refund or no fees due) within 5 business days of signing the Agreement.

In addition to fee-based Investment Management Services, EAM provides investment advice through individual **General Consultations** offered for an hourly rate for those Clients who do not meet the minimum portfolio size or who do not desire intensive Investment Management services. Fees for General Consultations are computed at the hourly rate or \$100-\$350. Fees are due and payable upon delivery of the services.

**General Consultation** services may be immediately terminated upon receipt of written notice by either party, however, Client agrees to submit payment for all services rendered prior to receipt of such termination notice within 10 days of receipt of invoice. Otherwise, Consultation agreements terminate upon delivery and completion of said services. Where the client has not received the Adviser's ADV II at least 48 hours prior to engagement, termination can occur within 5 days of the effective date of services and at no charge.

EAM provides **401K Advisory Services** and Simple IRA Services – For Qualified Plans with less than 15 investment options. These services are provided for individuals (not Plans) and offers, for a fixed fee, advice pertaining to quarterly asset allocation, account performance and the tracking of managers. EAM will not vote proxies and the Client understands EAM is providing individualized advice on Plan assets managed under another Adviser. In providing these services, EAM is not acting as an ERISA fiduciary. The fixed fees are payable in advance, or possibly in two payments, with ½ retainer paid at the time of engagement and the balance due in six months:

<u>Portfolio Size</u>	<u>Annual Fee</u>
\$100,000 to \$249,999	\$395
\$250,000 to \$499,999	\$995
\$500,000 to \$749,999	\$1,695
Over \$750,000	\$1,995

Fees for **401K Advisory Services** may be negotiable depending on individual circumstances and complexities and at the discretion of the Adviser. Clients may terminate the 401K Advisory Services Agreement within 5 business days of signature. After 5 business days, the Client will be invoiced for any portion of time incurred by the Adviser on the development of the Plan prior to termination at an hourly rate of \$125.

EAM is available to provide **Financial Planning** advice on various issues relating to the following: Portfolio analysis, pre-retirement planning, employee benefits, college funding, business planning, investment strategies, estate plans, trusts, tax status, client defined issues, and insurance using long-term strategies so that continuous monitoring is not required. EAM, through its Advisory Representatives will typically provide a variety of financial planning services, principally advisory in nature, to individuals or families regarding the management of their financial resources, based upon an analysis of client needs, goals and objectives. Generally, such planning services will involve preparing a financial program for a client based upon the client's financial circumstances and stated objectives.

The plan or program developed for a client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that may include obtaining insurance, revising existing coverages, establishing an individual retirement account, an increase or decrease of funds held in reserves or an investment of funds in securities. Services may also include the preparation of a cash flow analysis and/or recommendations relating to certain long-term objectives (i.e., mortgage, college funding, retirement, etc.)

The nature of services to be provided will be agreed upon at the time of engagement and outlined in the Client Agreement. Fees for Financial Planning are determined prior to engagement and based upon the complexity of services. The hourly fee is \$100 - \$350 with a minimum fee of \$500. Fees for all plans will be due and payable upon delivery of the plan. If client circumstances or objectives change such that a new investment plan is required, there may be an additional charge. The Financial Planning services terminate upon delivery of the plan. However, if the client did not receive EAM's ADV Part II at least 48 hours prior to engagement, services can be terminated within 5 days of the effective date of the agreement and without fees due.

EAM is also available to provide an **Annual Maintenance and Review** service with a varying rate depending upon the complexity of services delivered. The fees for these services are as follows:

Annual Maintenance and Review: \$295/Year. Services include: Asset allocation of portfolio, Review of Company Benefits and individually owned insurance

programs (beneficiary checks, coverage changes) annually, Social Security earning and benefits update and Retirement projections.

Annual Maintenance and Review: \$595/Year. Services include: All of those noted directly above, plus: Bank quality and net worth statement, Annual mortgage analysis, Tax planning, Company stock option and ESOP management, Property and casualty insurance review and Estate planning review (property titling, estate tax saving techniques).

Clients may terminate the Annual Maintenance/Review Agreement within 5 business days of signature and without fees if the Adviser's ADV II was not delivered at least 48 hours prior to engagement. After 5 days, the client will be invoiced for any portion of time incurred by the Adviser on the development of the Plan prior to termination at an hourly rate of \$125.

As of 12/31/10, Executive Asset Management, Inc manages \$25,309,426 of client assets on a discretionary basis and \$2,536,412 of client assets on a non-discretionary basis.

## **2. Types of Clients**

Types of clients include: Individuals, High Net Worth Individuals, Trusts and Estates, Pension and Profit Sharing Plans, Corporations and Businesses

## **3. Types of Investments**

The Adviser may provide advice relating to any type of investment contemplated by its clients. However, the Adviser will not manage investment other than; exchange-listed securities, securities traded over-the-counter, foreign issuers, Corporate debt securities (other than commercial paper), Commercial paper, Certificated of deposit, Municipal securities, variable life insurance, variable annuities, mutual fund shares, United States government securities, real estate, oil and gas interests and thus services are limited to hourly consultation and a review of the offering documents.

## **4. Method of Analysis and Investment Strategies**

EAM takes each client's individual needs and circumstances into consideration in designing personalized investment advice. EAM measures an investor's goals, risk tolerance and time horizon through an interview process in an effort to help determine a plan/portfolio to best fit the investor's individual profile. Investment strategies may be based upon a number of concepts and determined by the type of investor. The concept of asset allocation, or spreading investments among a



number of asset classes (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities) is generally in the forefront of our strategies.

Asset allocation seeks to help achieve the most efficient diversification of investments, to lessen risk and still provide a satisfactory long-term return. Since EAM believes that risk reduction is a key element to long-term investment success, asset allocation principles are a key part of the Firm's overall approach in preparing advice for Clients.

While the Adviser generally looks to the long-term in providing investment advisory services, when it is appropriate for the needs of the Client, Advisory Representatives may recommend the use of trading (securities sold within 30 days), margin transactions or covered call option writing. Because these investment strategies bear a certain degree of risk, they will only be recommended when consistent with client's stated risk tolerance.

Recommendations for or purchases of investments will be based on publicly available reports and analysis. In the case of mutual funds, recommendations will be based on reports and analysis of performance and managers, and certain computerized and other models for asset allocation and investment timing. All mutual funds will be selected on the basis of any or all of the following criteria: Performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives, management style and philosophy; and the fund's management fee structure.

EAM utilizes many sources of public information to include financial news and research materials. EAM may also use model portfolios of mutual funds provided by institutional investment strategists and investment companies.

In the delivery of Financial Planning services, the Adviser generally looks to the long-term. After evaluation of the client's short-term cash needs and emergency funds, the Adviser will design investment and insurance strategies in an effort to help the client achieve his or her financial goals. Casualty insurance (i.e. homeowners, auto, liability, etc.) is not reviewed by the Adviser and since this coverage is important, clients may wish to utilize their preferred service provider for this type of insurance.

## **5. Business Background- Advisory Representatives:**

Advisory Representatives hired by the Adviser will have a minimum of 3 years of experience in business similar or related to financial management and planning. In addition, Representatives may need to hold or have the ability to obtain proper Life, Disability and Variable licenses.

**6. Education and Business Background - Officer:**

**Steven Frederick Muntin, President and Chief Compliance Officer-  
Ownership 75% or more**

Year of Birth: 1964

***Examinations/Professional Designations:***

MI: Life, Disability Licensed; Variable Contracts Insurance Licenses (1993 – inactive '06)

NASD: Series 63 (1993); Series 6 (1993); Series 7 (2001) – (*Inactive: Fee-based firm*)

Certified Financial Planner™: 10/94 (Inactive)

***Education:***

University of Michigan, Ann Arbor, MI

BA - Economics, Finance (1986)

***Business:***

Executive Asset Management, Inc., Fenton, MI, President and Chief Compliance Officer

Vice President (up to 2006)

Registered Investment Adviser 6/92 – Present

Royal Alliance Associates, Inc., New York, NY

Registered Representative

Insurance and Financial Services 7/93 – 7/06

The Mutual Life Insurance Co., New York, NY

Representative Insurance Company 1/88 - 6/91

**7. Other Business Activity and Affiliations**

Insurance products are available to clients for personal, estate and business needs to minimize clients' exposure to identified risks. Advisory Representatives of EAM are licensed life and health contract agents. Normal commissions from insurance products are earned and paid by insurance companies when such products are placed with clients. This activity accounts for approximately 10% of Advisory Representatives' time. Clients are never under any obligation to purchase insurance products or utilize companies recommended by EAM, but clients are welcome to purchase products when the needs arise.

## **8. Participation or Interest in Client Transactions and Code of Ethics**

The Adviser or its Advisory Representatives may buy or sell securities identical to those recommended to customers for their personal accounts. Transactions in securities undertaken by Advisory Representatives are not likely to have an impact on the prices of the securities of which EAM clients may be invested. The Investment Advisor monitors personal securities transactions of its staff and has established policies relating to the prohibition of insider trading activities. The Adviser prohibits associated persons from engaging in certain transactions that include, but are not limited to, short-swing trading, market timing, and front-running.

EAM maintains standards consistent with its fiduciary duty. The Adviser and its staff place the interests of clients ahead of the Adviser or its personnel. The Adviser requires that all individuals must act in accordance with the requirements set forth in the United States Securities Commission's Investment Advisers Act of 1940. Any individual not in observance of the above or who violates the Adviser's written supervisory policies and procedures may be subject to internal disciplinary action and possibly termination.

EAM has instituted a written Code of Ethics. Any Advisory Representative or personnel member who violates the Adviser's Code of Ethics will be subject to internal warning, loss of authority, termination and possible regulatory action.

Clients are welcome to request a copy of the Adviser's Code of Ethics, if desired, by contacting Steven F. Muntin, President and Chief Compliance Officer.

## **9. Conditions for Managing Accounts**

The Adviser does not require minimum condition for clients requesting advisory services. Obviously, where a very small portfolio is involved, the Adviser's management fee would be excessive. In these cases, consultation services will be offered. The Adviser reserves the right to decline to provide services to any person or firm and for any reason.

## **10. Investment Authority including Voting Client Securities**

EAM maintains limited discretionary authority with client authorization. Clients retain the authority to vote proxies. Clients will ensure that proxy materials are sent directly to them. Clients are welcome to delegate said proxy voting authority to a properly authorized agent (non-advisory personnel). EAM will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. The Adviser may accept directed brokerage arrangements (where client determines which service provider to utilize, other than the Adviser's preferred provider). However, in each instance, the direction will be received in writing. In such cases, the Adviser

cannot guarantee best execution of transactions because of limitations the client's service provider may have in place and because the Adviser does not have a working relationship with the provider.

## **11. Brokerage Practices**

EAM utilizes the services of Charles Schwab & Co., Inc. ("*Charles Schwab & Co.*") for its advisory transactions and participates in the Charles Schwab & Co. Adviser service program for independent Advisers. The recommendation is based on the discount rates, product offerings, execution quality, and client services available.

EAM recognizes its duty to best execution for all of its clients under the circumstances available. The decision to utilize the preferred services provider is based upon the customer service provided to investors and the services available to the Adviser. While it is possible that clients may pay higher commission or transactions fee through Charles Schwab & Co., EAM has determined that the company currently offers the best overall value to EAM and its clients for the brokerage, services, and technology provided.

EAM periodically reviews other alternatives that are available to the Adviser market. However, EAM may believe that excellent customer service and trade execution is superior to most non-service oriented, discount and internet/web based brokers that may otherwise be available to the public. Charles Schwab & Co. features a broad line of products and services that are available to many kinds of investors.

Clients have the ability to specifically request, in writing, their desire to utilize another financial services firm. In such cases, the client is responsible to ensure that the Adviser has the authority to receive all account information in a timely manner. Further, the Adviser may not be able to offer best execution because of limitations that may be placed on the Adviser by the client's preferred service provider.

## **12. Additional Compensation and Considerations**

As noted above, the Adviser participates in Charles Schwab & Co.'s advisory services program. While there is no direct linkage between the investment advice given and the participation in the advisory program, economic benefits are received which would not be otherwise, if EAM did not give advice to clients.

EAM may have the opportunity to receive traditional "non-cash benefits" from Charles Schwab & Co. such as customized statements; receipt of duplicate client

confirmations and bundled duplicate statements; access to a trading desk servicing Adviser participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access (for a fee) to an electronic communication network for client order entry and account information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of regulatory compliance communications; and perhaps discounts on business-related products. While Charles Schwab & Co. does not directly provide any research, it does offer discounts on research products and industry subscriptions. Any research received is used for the benefit of all clients. Computer real-time software may be purchased through Charles Schwab & Co. or independent companies in order to facilitate sending and receiving account information. Advisory Representatives of EAM are not registered representatives of Charles Schwab & Co. or any other broker/dealer firm. The Adviser has no written or verbal arrangements whereby it receives soft dollars.

Other third party service providers and/or insurance companies may also provide non-cash benefits to EAM and/or its Advisory Representatives from time to time, but not limited to waivers or reductions of conference registration fees; meals; entertainment; and promotional premium items that have nominal value.

The Adviser deems receipt of any of the aforementioned items not to be of material value and do not, either individually or collectively, impair the Adviser's independence. Prior to the acceptance of or delivery of any consideration, Advisory Representatives must be provided authorization and approval from Steve Muntin, President and Chief Compliance Officer. A record will be maintained of all considerations received for review by clients and regulatory bodies upon request.

### **13. Referral Relationships**

EAM may pay referral fees to independent solicitors for the referral of prospective clients in accordance with Rule 206 (4)-3 of the SEC's Investment Advisers Act of 1940. Referral fees represent a share of EAM's asset-based investment advisory fee. *This arrangement will not result in higher costs to clients.*

In this regard, EAM maintains Solicitor Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. All clients referred by Solicitors to EAM will be given full written disclosure describing the terms and fee arrangements between the Adviser and its Solicitor(s). Solicitors will deliver the then current EAM ADV Part II and a compensation disclosure document as required by securities regulations.

## 14. **Privacy of Consumer Information**

EAM, as a Registered Investment Advisory Firm, is covered under the definition of a “financial institution” under the Gramm-Leach-Bliley Act and the SEC’s Privacy Rule (“*Regulation S-P*”). The Privacy Rule requires every broker, dealer, investment company, and registered investment adviser to adopt policies and procedures reasonably designed to safeguard customer records and nonpublic personal information. The staff of EAM realizes that providing personal information is an act of trust and takes the issue of protecting privacy seriously.

The basic definition of “nonpublic personal information” as it pertains to most investment advisory firms, under Section 509(4) of the Federal Act and Regulation S-P defines the term to mean “personally identifiable financial information” that is provided by a consumer to a financial institution, results from any transaction with the consumer, or any service performed for the consumer, or is otherwise obtained by the financial institution. The term also includes any “list, description or other listing of consumers (and publicly available information pertaining to them) that is derived using information that is not publicly available.

EAM is committed to safeguarding the confidential information of our clients because mutual trust is essential to the Adviser-Client relationship. Personal privacy is of the utmost importance to our clients and to our staff. This is our policy describing what types of information we may collect and how we treat your personal information. EAM understands that sharing nonpublic personal information is an act of trust. We welcome any comments or concerns you may have about your personal privacy.

We collect various types of nonpublic personal information from you, our client, to assist us in giving you appropriate investment advice and in managing your investments. The categories of nonpublic information that we collect from each client depends upon the scope of the client engagement. We may acquire information provided in applications, forms, and other information provided to us either verbally or in writing, and include but are not limited to names, addresses, phone numbers, account information, social security numbers, employment info, assets, income and debt. We may also receive information pertaining to transactions, investment distributions, investment gains and losses, payment history, account usage, account information and balances, trading activity, custodians, broker-dealers, other parties to transactions, insurance coverage, premiums, beneficiaries, information from other outside sources. We may receive other information that is deemed to be nonpublic and personal, such as information relating to medical and health data, to the extent that it is needed for the financial planning or risk management (insurance) services.

The types of nonpublic information we may have are only those obtained in connection with providing investment advisory or planning services to you for personal, family, household, or business purposes. It does not include

information available from government records, widely distributed media, or government mandated disclosures.

EAM does not disclose nonpublic information about consumer, clients, or former clients to any person or firm except as directed by you to facilitate services or transaction, as required by law or any regulatory body, or as needed to provide for the delivery of investment, financial or administrative services. For example, information may be provided to companies that assist us in processing your transactions and servicing your accounts such as introducing and clearing brokerage firms, mutual fund companies, and insurance companies. Securities regulators, such as the SEC and State Securities Divisions routinely audit investment advisory firms' records to ensure compliance with securities rules and regulations. If you want EAM to share information with any of your other services providers (such as to your accountant, tax preparer or attorney who is representing you), we need to receive written direction to do so. Please be assured that we do not provide your information to direct marketers, independent solicitors (for other companies) under any circumstances.

We take all reasonable steps to assure the privacy of consumer information retained in our office. We restrict access to nonpublic personal information to those employees who have a business or professional reason for knowing the information in order to deliver investment advisory and administrative support services, and as permitted by law. We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic information.

We protect the nonpublic personal information provided by consumers who have provided information to the Advisor but may not become clients. In most cases, this information is returned to the client or copies provided to us may be retained for a year, depending on the likelihood of engagement, before the information is securely shredded in-house. Our policy on privacy extends beyond the client agreement to also protect former clients. We retain client information for the length of time required by regulators, and then safely destroy the information by shredding documents in-house.

If you have any questions or concerns relating to EAM's privacy policy, please contact Steven F. Muntin, President and Chief Compliance Officer.

## **15. Review of Accounts**

**Investment Management** involves frequent monitoring and internal review of portfolio assets. Individual Portfolios are generally reviewed no less than quarterly, however reviews could also occur at the time of new deposits, material changes in client conditions, at the Adviser's discretion or according to client's stated direction. Reviews entail analyzing securities, sensitivity to

overall markets, economic changes, investment results, asset allocation, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' stated objectives. In the case of mutual funds, the Adviser will undertake a global review of economic changes and fund performance in and of each particular fund and how it relates to its peers and the general market, adherence to style, and style. Reviews are performed by Steven Muntin, President and Chief Compliance Officer. The Adviser encourages frequent client contact but clients should meet with the Adviser at least annually (in person or telephonically). However, clients are obligated to promptly notify the Adviser of any changes in the client's financial status to ensure the investment strategies continue to meet the client's changing needs.

Clients who do not desire intensive Investment Management Services can secure **Investment Advisory Consultation Services**. Consultation Services are offered on an hourly or flat fee project basis and do not include ongoing services or ongoing reviews of the client's portfolio although the Adviser may recommend a review be performed at least annually. It would be the client's responsibility to update his or her financial goals and secure additional services offered by the Adviser, as desired.

Executive Asset Management also offers **Financial Planning Services** which provide for advice on cash management, risk management, education funding, goal setting, retirement planning, estate and tax planning. Financial Planning can be provided on an hourly or flat fee project basis, depending upon individual circumstances and the complexity of services required. Financial Planning Services terminate upon delivery of advice or the written Plan as outlined in the agreement for services. The advice given may include the recommendation of reviews or ongoing management services, however it would be the client's responsibility to update his or her financial goals or secure additional services as may be needed. A new engagement can be executed to secure additional services.

Administrative personnel assist with general client communication and services.

Clients receive standard transactional and monthly or quarterly statements from investment sponsors or custodians. Investment Management clients may receive monthly or quarterly reports on portfolio performance.

## **16. Investment Discretion**

Executive Asset Management, Inc. will accept discretionary authority to manage securities accounts on behalf of clients that have provided written authority (signed written acceptance of Investment Advisory Agreement).