

# DISCLOSURE BROCHURE

PREPARED IN COMPLIANCE WITH  
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)



**Taylor & Williams, Inc.**  
FINANCIAL ADVISORS

CRD #: 121776  
SEC File #: 801-68272

**Taylor & Williams, Inc.**  
REGISTERED INVESTMENT ADVISOR

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This Disclosure Brochure provides information about the qualifications and business practices of Taylor & Williams, Inc., which should be considered before becoming a client. Please contact Mr. Brent L. Williams if you have any questions about the contents of this brochure.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

BROCHURE  
DATED  
**1**  
**JANUARY**  
**2011**

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## **Material Changes**

There are no material changes to report. This Disclosure Brochure has been reviewed and is current as of the date indicated on the cover.

# EXECUTIVE

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## S U M M A R Y

### ◆ Mission Statement

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God's plan for Taylor & Williams, Inc. is assisting others in fulfilling God's plan for them. We believe that the Bible is the best book on finance ever written. With over 2,350 verses on money and possessions, the Bible clearly illustrates the importance that money plays in life. Our finances are not just a part of life; they are involved in every aspect. The decisions we make managing resources show our values, our heart. That is what God is so interested in. We have found that those with the greatest sense of contentment and passion for life are using their assets to accomplish their God-given heart's desires, not just attempting to maximize return or net worth. At Taylor & Williams, our heart's desire is to use the specific instruction and principles given in Scripture to encourage and assist others in accomplishing their heart's desire.

### ◆ Business Focus

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Taylor & Williams, Inc. (hereinafter referred to as "the Company", "we", "us" and "our") is a fee-only registered investment advisor<sup>1</sup> focused on assisting individuals and their families, pension and profit sharing plans, trusts, estates, corporations and small businesses with planning and investment management solutions tailored to meet each client's purpose driven goals and dreams. Simply put, we help clients financially plan and achieve what they are passionate about doing.

To accomplish this, we must know the four sectors of a client's financial foundation. These four sectors are:

- ⊕ **Income** – Employment, investments, and windfall/inheritance.
- ⊕ **Expenses** – Housing, utilities, transportation, insurance, investments, education, finance and entertainment.
- ⊕ **Assets** – Real estate, securities, tangible property and intangible (i.e., skills knowledge and abilities).
- ⊕ **Liabilities & Net Worth** – Insurance, funded net worth, financial credit, and unfunded liabilities.

Knowing these four sectors and the impact that different financial options would have on each, allows us to develop the plan or strategy most likely to accomplish the desires of the client.

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<sup>1</sup> The term "Registered Investment Advisor" is not intended to imply that Taylor & Williams, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that we are "Registered" as an "Investment Advisor" with the United States Securities and Exchange Commission – and with such other regulatory agencies that may have limited regulatory jurisdiction over our business practices.

# FINANCIAL

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## P L A N N I N G

Successful Investment Management services can be difficult to achieve if we do not have a clear picture of the client's needs, objectives and heart. The financial plan we develop helps us eliminate much of the guesswork in financially achieving the client's desires by simplifying these financial alternatives. For the client, such quality time invested by the Company on the front-end solves problems, eliminates future concerns and cultivates peace of mind.

### ◆ Financial Planning Composition

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Financial planning is an evaluation of the investment and financial options available to a client based upon their defined economic criteria. Planning includes: (i) attempting to make optimal decisions; (ii) projecting the consequences of these decisions for the client in the form of a financial plan – a working blueprint; (iii) implementing the protocol to achieve the objectives of the plan; and then, (iv) comparing future performance against the working blueprint.

A financial plan can be comprehensive – reviewing every aspect of a client's financial holding; or, segmented – review, analysis and evaluation of a core area of financial need. In general, financial planning encompasses one or more of the following areas of concern:

- ⊕ **Personal** – Family records, budgeting, personal liability, estate information and financial goals.
- ⊕ **Education** – Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet dependents continuing educational needs through development of an education plan.
- ⊕ **Taxes & Cash Flow** – Income tax and spending analysis for current and future years. We will illustrate the impact of various investments on client's current income tax and future tax liability.
- ⊕ **Death & Disability** – Cash needs at death, income need of surviving dependents, estate planning and income analysis.
- ⊕ **Estate** – Living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, and Medicaid.
- ⊕ **Financial Independence** – Analysis of current strategies and investment plans to help clients achieve their independence goals.
- ⊕ **Giving** – Analysis of current strategies and plans to help clients achieve their giving goals.
- ⊕ **Investments** – Analysis of investment alternatives and their effect on client's portfolio(s).
- ⊕ **Insurance** – Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

## ◆ Preparing the Financial Plan

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The Company prepares the financial plan in three (3) stages. These stages are defined as follows:

### Stage I – Evaluate

Through the evaluation process, the Company learns about the client and what the client wants to achieve. This is accomplished through personal interviews and profile questionnaires<sup>2</sup>, which are designed to address all of the financial planning disciplines discussed above. The client has the opportunity to prioritize their objectives and to remove from the process any areas that are not applicable to their circumstances.

The time we invest in the evaluation process to listen and cater to the client's desires is critical for developing a strong financial planning foundation. Such time helps to:

- ⊕ Define and narrow the client's objectives and investment options;
- ⊕ Stimulate creative thinking;
- ⊕ Identify areas of greatest concern;
- ⊕ Create a unique picture of the client's overall financial personality; and,
- ⊕ Provide an effective and efficient way for us to address each client's unique financial needs and objectives.

After the interview process, we will draft a report documenting the current financial status of the client, the goals and objectives they wish to address, and a projection of their current path. Redrafting and meetings can be repeated until the client is completely satisfied with the report. Depending upon the engagement, different levels of financial reporting will be undertaken. At a minimum, a statement of financial position, designed for financial planning use only, will be prepared.

### State II – Formulate

We define the financial plan as a road map designed to take the client from where they currently are financially, to where they want to be. This is the creative portion of the process. There are usually many different ways to accomplish a given goal. The objective, however, is to formulate a plan that the client will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help the client reconcile the gap between their expectations and their financial realities. Once a viable plan has been drafted, it is presented to and reviewed with the client. The draft and review process may be repeated until the client is satisfied with the financial plan.

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<sup>2</sup> The profile questionnaires used by the Company are important tools in gathering information about the client's investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc.... If the client elects not to answer the questionnaires or chooses to respond with limited input, it is possible that we could operate in a handicapped capacity. Therefore, if the client desires the most effective and accurate recommendations, they will make every effort to provide us with detailed personal needs and objectives, along with detailed financial and tax information.

## Stage III – Integrate

A financial plan is of limited value if it is not put into action. Accordingly, we place a premium on implementing<sup>3</sup> and monitoring the plan. The implementation schedule provides the client with a list of tasks and deadlines designed to ensure that the plan is put into action. The following are some examples of implementation: (i) drafting of appropriate estate documents (performed by an estate attorney); (ii) purchase of various insurance policies; (iii) investment advisory services, including preparation of a Investment Policy Statement and asset allocation strategy (performed by the Company, or another investment adviser/broker-dealer of the client's choice); (iv) adoption and monitoring of a personal budget; and, (v) ongoing income tax planning. The Company strongly suggests that the overall financial plan be reviewed on not less than an annual basis. Investment advisory services are performed in accordance with the disclosures contained under "Investment Services" below.

## ◆ Financial Planning Fees & Termination

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The Company's financial planning fees will be based on the size, complexity, and nature of each client's personal and financial situation and the amount of time it will take to analyze and summarize the plan.

### Comprehensive

Comprehensive financial planning services are offered on an hourly rate not to exceed \$100.00 per hour. The Financial Planning Contract ("Agreement") provided to clients includes an estimate of the cost to review the client's financial information with one-half the fee due at the time the Agreement is signed. The remaining half will be due upon completion of the comprehensive financial plan.

Rarely will a fee exceed the written estimate provided in the Agreement. However, there can be instances where we did not contract with the client to perform a particular task and therefore merit notifying the client of the additional cost prior to beginning such services.

### Segmented

If the client desires only segmented financial planning – review, analysis and evaluation of a core area of financial need – the fee will be billed at a rate not to exceed \$100 per hour. All fees will be completely itemized in a billing statement to the client, or as otherwise predetermined in a proposal, engagement letter and/or by retainer.

## Termination of Financial Planning Services

Clients have five (5) full business days to terminate the Agreement. Should a client wish to terminate the Agreement after such time period and before presentation of the financial plan, the Company will be compensated through the date of termination for time spent in design of

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<sup>3</sup> Implementing the recommendations made in a financial plan often requires consultation or coordination with one or more outside professionals (e.g.: attorneys, CPAs, insurance and securities representatives). All information provided by and received from the client will be kept entirely confidential, not only by the Company, but by the outside professionals as well. Such information will be disclosed to third parties only with mutual written consent or as may be permitted or required by law.

the financial plan at the hourly rate agreed to by both parties in the Agreement. After the financial plan has been completed and presented to the client, termination of the Agreement is no longer an option.

Segmented financial planning can be terminated at any time. The Company will bill the client for any services rendered from the date of the last bill up to the date of termination at the agreed upon hourly rate.

# INVESTMENT

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## S E R V I C E S

Our managed accounts are designed to build long-term wealth while maintaining risk tolerance levels acceptable to the client. With every managed account, we incorporate investment strategies that have been pre-determined from the investment parameters outlined in the client's Investment Policy Statement. Such investment strategies are made up of one or more of the following investment styles:

- ⊕ **Capital Appreciation** – Strategies designed to take advantage of the current economic environment and to offer enhanced equity growth and income performance.
- ⊕ **Capital Preservation** – Strategies designed to produce consistent, stable investment returns that do not fluctuate so aggressively with daily changes in the financial markets.
- ⊕ **Retirement Living/Tax Implications** – Strategies designed to capitalize on investment returns that yield either a low tax base, are compound tax deferred, or are tax exempt.

In accomplishing these objectives we will: (i) directly manage client accounts for wealth accumulation and capital preservation; and/or, (ii) match the investment needs of the client with a pre-selected group of third-party money managers ("Portfolio Managers") for investment management, asset allocation and timing services.

## ◆ Portfolio Composition

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Portfolio management services of the Company primarily utilize equities and fixed income (bond) vehicles, as well as investment company products (mutual funds) to make up the composition mix within each client's portfolio.

We have developed four model portfolio structures that are used as asset allocation guidelines in designing a client's portfolio: Conservative Growth, Moderate Growth, Growth, and Aggressive Growth. Each model consists of a different "target" asset allocation in up to six different asset classes<sup>4</sup> – spreading money among a variety of investments as opposed to investing in just one – creating a more prudent approach to managing risk.

In addition to diversifying by company size, we evaluate investments based on "growth" and "value" styles. The growth style involves buying companies with the potential to grow faster than the economy and their competitors on a sustainable basis. With the value approach, companies purchased are out of favor and trade at a discount to their estimated true economic value. Employing both investment styles can reduce portfolio volatility if the market favors one style over the other.

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<sup>4</sup> The six different asset classes are: Large-Cap U.S. Value Stocks; Large-Cap U.S. Growth Stocks; Small-Cap U.S. Value Stocks; Small-Cap U.S. Growth Stocks; International Stocks; Fixed Income and Cash.



The investment mix for each client is uniquely designed to achieve the desired investment return for the client. However, the selected equities and fixed income vehicles in a client's portfolio are typically diversified into many stocks and bonds that are common to all client accounts. This is the only common denominator; from that point the composition mix and quantity of stocks and bonds in any given client account is completely subjective.

Typical composition mix classifications:

Asset Allocation Guideline	Percentage of Stocks	Percentage of Bonds
Aggressive Growth	75% - 100%	25% - 0%
Growth	50% - 80%	50% - 20%
Moderate Growth	30% - 60%	70% - 40%
Conservative Growth	0% - 40%	100% - 60%

Such allocation guidelines are a representation of a typical account composition but should not be construed as absolute. Ultimately, the exact composition makeup and allocation of securities are determined by the client's investment parameters, which can compose a more detailed and/or complex structure.

We may also, on occasion, use the following investment vehicles to achieve the client's desired investment objective: derivatives, index funds, leveraged index funds, closed-end funds, hedge funds, private placements and other publicly traded securities.

Managed accounts are disciplined and focused to resist the temptation to react to short-term market fluctuations. We use a fundamental approach that incorporates economic conditions, earnings, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, and general level of interest rates, company management, debt ratios and tax benefits to make our allocation decisions.

## ◆ Portfolio Management Fees

The standardized fee structure below presents the annual percentage charged for Portfolio Management services provided on an asset-based fee arrangement. The fee for a quarter is one fourth of the annual applicable percentages multiplied by the aggregate market value of the client's total assets in the account on the last business day of each calendar quarter. The fee schedules are as follows:

Portfolio Value*	Annual Fee Rates** Not to exceed
Less than \$100,000 .....	2.00%
\$100,001 - \$1,000,000 .....	1.50%
Over \$1,000,000 .....	1.25%

\* There is no minimum investment requirement to open a Portfolio Management account.

\*\* The Company retains discretion to modify the above fee structure depending on the size, complexity, and nature of the portfolio managed. The fees may be negotiable on a client-to-client basis.

All Managed Account fees will be fully disclosed in the client's Investment Advisory Agreement with the Company.

## ◆ Portfolio Monitoring Services

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For those accounts with assets in excess of \$350,000, we will in most cases match the particular needs of the client with a pre-selected group of third-party money managers ("Portfolio Managers") for the provision of investment management, asset allocation and timing services.

### Selecting Portfolio Managers

The Company will make available to the client a selected group of Portfolio Managers that fit the client's investment criteria. Such Portfolio Managers, under our direction, will then implement the investment management, allocation and timing services.

The Portfolio Managers may have little or no direct client contact, relying instead on our pre-qualification as directed through the Investment Policy Statement. We will perform such qualifying analysis together with performing certain professional, administrative and clerical duties prior to selecting and opening accounts with a particular Portfolio Manager.

### Monitoring Services

Once the Portfolio Manager has been selected and the account established, we will monitor the performance of the Portfolio Manager and the client's investments continuously based on the procedures and timing intervals delineated in the Investment Policy Statement. Although the Company is not involved in any way in the purchase or sale of these investments, the Company will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

### Portfolio Managers Fee Structure

The Portfolio Managers who will be used to manage client's accounts will disclose their fee structure for management services in their Disclosure Brochure (the Portfolio Manager's Schedule H and/or ADV Part II), which the Company will provide the client prior to opening an account. Such fees charged to the client's account will include: (i) the Portfolio Managers management fee; (ii) the monitoring fee charged by the Company; and, (iii) trading commissions and/or account charges that may be imposed by the custodian or broker/dealer used to custody the accounts. The Portfolio Manager's Disclosure Brochure contains all pertinent disclosures relating to their management services and the fee structure for such services – the client is encouraged to carefully review these disclosures.

## ◆ Protocols for Investment Services

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The following protocols establish how we handle our Investment Services accounts and what clients should expect when it comes to: their bill for investment services; depositing or withdrawing funds from their account(s); other fees charged to their account(s); and, termination.

## Discretion

The Company will establish discretionary trading authority on all Managed Accounts to execute securities transactions at any time without the consent or advice of the client unless otherwise negated by the client.

## Billing

Each client is billed quarterly in advance to account based on the account value on the first day of the new calendar quarter. For the first billing quarter, if account is not opened at the beginning/end of a quarter, the fee will be based upon a pro-rata calculation of the aggregate market value of the client's assets to be managed.

Advisory fees will be taken first from fee credit balances or from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

## Deposits/Withdrawals into/from Managed Accounts

Assets deposited by a client into a Managed Account during the quarter will not result in additional management fees being billed to the client unless such deposits exceed \$25,000. Such deposits of this amount or greater, in most cases, will require modifications and adjustments to a client's investment allocation. Therefore, a pro-rata fee based upon the number of days remaining in the current quarterly period will be assessed to the client for deposits exceeding the above amount.

For assets withdrawn by a client in excess of \$25,000, the Company has the option to refund any management fees on a pro-rata basis. Just as with large deposits, modifications and adjustments may be required by the Company to correct the client's allocation of assets. No fee adjustment will be made for partial withdrawals less than \$25,000, within a billing period.

## Fee Exclusions

The above fees for Managed Accounts are exclusive of any charges imposed by third parties, such as: (i) SEC fees; (ii) service or account charges, such as, debit balances or postage/handling fees; (iii) commissions earned by the custodian firm for securities transactions.

In addition, clients are advised when purchasing investment company products, which all fees paid to us for Asset Management services listed above are separate from the fees and expenses charged to beneficial-interest-shareholders of mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. Clients are encouraged to carefully read the fund prospectus.

## Termination Provisions for Investment Services

Client has five (5) full business days after entering into an Investment Advisory Agreement in which to cancel and obtain a full refund of prepaid fees.

Either party at anytime upon receipt of 30 days written notice may terminate services. This allows us sufficient time to finalize transactions and enable the delivery of final statements and release of documents. Such termination of the Advisory Agreement, releases us from any further obligation to advise or act on the client's assets. It becomes the client's responsibility to monitor their assets.

Upon termination, the Company shall be paid fees due through the date of termination and any balance of the advisory fee shall be refunded on a pro-rata basis. Termination does not affect liabilities or obligations incurred by the client from transactions initiated under the Advisory Agreement prior to termination.

# QUALIFICATIONS

## RESPONSIBILITIES

### ◆ Business Qualifications

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Mr. Brent L. Williams will be directly responsible for the leadership and direction of the Company to ensure such investment activities are being performed to the expectations of the clients.

Mr. Williams and Mr. Whitten have over 10 years of professional experience in the areas of personal finance, investments, insurance, wealth, and financial planning. Their qualifications and experience includes the following:

#### **Brent L. Williams**

CRD #: 2850711  
Year of Birth: 1971

**Education:** Olivet Nazarene University – B.S.: Business Finance  
Life & Variable Insurance License (Florida)  
FINRA Exams: Series 7, 63 & 65

**Business:** 06/01 – Present ..... Taylor & Williams, Inc.  
**Position:** President  
01/97 – 05/01 ..... First Union National Bank  
**Position:** Business Financial Consultant  
06/96 – 10/97 ..... Money Matters of Tampa  
**Position:** Financial Advisor  
03/91 – 06/96 ..... First of America Bank  
**Position:** Consumer Lender

#### **Andrew J. Whitten**

CRD #: 4548513  
Year of Birth: 1980

**Education:** University of Tampa – B.S.: Business Management  
FINRA Exams: Series 65

**Business:** 03/06 – Present ..... Taylor & Williams, Inc.  
**Position:** Investment Advisor Representative  
07/04 – 03/06 ..... Bank of America  
**Position:** Personal Banker  
08/03 – 07/04 ..... American General Financial Services  
**Position:** Financial Representative  
08/01 – 05/03 ..... University of Tampa  
**Position:** Student

## ◆ Account Responsibility

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Each account is reviewed on an ongoing basis to ensure that the client's needs and objectives are being met. All accounts are reviewed in the context of each client's stated investment objectives and guidelines. Any adjustments made to a client's predefined guidelines are dictated by their Investment Policy Statement. Cash needs will be adjusted as necessary.

All Financial Plans will be reviewed at least annually. Material changes in the client's personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, it is the clients responsibility to communicate these changes to the Company so that the appropriate adjustments can be made.

## ◆ Education & Business Standards

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Any Investment Advisory Representatives retained by the Company will be required to have earned a four-year undergraduate degree or the equivalent and suitable experience in fields directly related to investments and financial planning, as well as the required examinations and qualifications to act as such.

## ◆ Analysis, Sources of Information & Investment Strategies

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### Methods of Analysis

In analyzing stock and bond investments, the Company will use a fundamental and technical approach to gathering information. Such analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits to guide the Company in its allocation decisions.

### Sources of Information

The Company relies on numerous financial publications as well as independent research sources for information. Other sources may include, but are not limited to, domestic, international and governmental newspapers, bulletins, magazines, books and other publications. On occasion, we will use material prepared by investment companies and research releases prepared by other research companies.

### Investment Strategies

The Company generally recommends long-term investment strategies requiring a minimum of a five-year time horizon.

# FINANCIAL INDUSTRY

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## A C T I V I T I E S & A F F I L I A T I O N S

### ◆ Brokerage Affiliations

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The Company has custodial and brokerage relations with Charles Schwab & Company, Inc. ("Schwab"), an FINRA licensed broker-dealer (member FINRA/SIPC), through its Schwab Institutional services to financial advisors.

Schwab provides, through SchwabLink™, on-line services for account administration and operational support, including electronic trading, account forms and applications, trading authorization, accounting and reporting, and other relevant administration and support services.

The Company has arrangements with Schwab to waive all charges for account support services and access to SchwabLink™ based on total client assets under management. In addition, Schwab has granted us a waiver of the annual maintenance fees for the use of the Centerpiece®, a software program that offers accounting, intuitive reporting and performance tracking in presenting reports and information to our clients in an easy-to-understand format.

Such arrangements for the use of SchwabLink™ and Centerpiece® could be defined as "soft dollar" services. However, research services provided or arranged by Schwab through which the Company effects securities transactions and reports prepared through Centerpiece® are used to service all client accounts and such arrangements have been made for the benefit of the client.

Unless specified otherwise, all managed accounts of the Company will be serviced through Schwab. The Company is solely responsible for investment advice rendered, and advisory services are provided separately and independently from that of Schwab.

### ◆ Insurance Company/Agency Affiliations

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Investment Advisor Representatives ("RA") of the Company are licensed as a resident Life, Health, and Variable Annuity Insurance Agents by the State of Florida and are licensed as non-resident agents in other states. The RAs of the Company are licensed to sell insurance related products and earn commissions from the sale of these products.

# CONFLICTING

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## INTERESTS

### ◆ Client Transactions

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#### Participation or Interests

It is against Company policies for any officers, directors and employees to invest in a private business interest or other non-marketable investment with a client or clients unless the Company has granted prior approval, and is not in violation of any SEC and/or State rules and regulations.

Personnel of the Company are permitted to personally invest their own monies in investments that may, from time to time, be recommended to clients. Such investment purchases are to be independent of, and not connected in any way to, investment decisions made on behalf of the Company's clients. Personal trading activities conducted by the Company's officers, directors and employees are monitored by Mr. Brent L. Williams to ensure that such activities do not impact upon client security or create conflicts of interest.

#### Insider Trading Activities

The Company is, and shall continue to be, in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, we have adopted a firm-wide policy statement-outlining insider trading compliance by the Company and our officers, directors and employees. This statement has been distributed to all personnel of the company and has been signed and dated by such persons. A copy of such signed originals are maintained in our personnel files.

#### Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in the clients' best interest. To maintain this ethical responsibility to clients, the Company has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all officers, directors and employees in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim, "Do the right thing!"

The Company's Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ⊕ Honest and ethical conduct.
- ⊕ Full, fair and accurate disclosure.
- ⊕ Compliance with applicable rules and regulations.
- ⊕ Reporting of any violation to the Code.



⊕ Accountability.

To help clients understand the Company's ethical culture and standards, how the Company controls sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of the Company's Code of Ethics is available for review upon request.

## Proxy Voting

The Company is hereby expressly precluded from voting proxies. Clients understand and agree that the client retains the right to vote all proxies, which are solicited for securities held in the managed accounts. Any proxy solicitations received at the Company's place of business will be immediately forwarded to the client for their evaluation and decision.

## ◆ Investment or Brokerage Discretion

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### Securities and Amount Bought or Sold

The Company executes an agreement with each client, which sets forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for the account and whether such transactions are with, or without, prior approval by the client.

### Selection of Portfolio Managers

Initial due diligence by the Company has led to the availability of a select group of Portfolio Managers which the client may choose to have manage their accounts. The Company will assist the client in determining which will provide the most effective financial growth based upon client's stated objectives in the client's Investment Policy Statement.

While the Company has exercised its best efforts in combining investment performance with the cost of such services offered by the Portfolio Managers, the Company does not specify that the Portfolio Managers to which it refers its clients have the highest performance or lowest costs. Accordingly, the client's selection of such Portfolio Managers will be limited to those offered by the Company. Therefore, it is possible that the client might be able to contract for similar services elsewhere or separately, with higher performance at lower costs.

### Direction of Transactions and Commission Rates

The Company does not have the discretionary authority to determine the broker/dealer to be used or the commission rates to be paid. The choice of brokerage firm to act as the custodian over each client account will always be approved by the client. If asked, the Company will suggest Schwab, however, it should be understood that the Company does not have the authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

There will be no attempt by the Company to recommend Schwab solely on the lowest commission rates available. General reputation, trading capabilities, investment inventory,

client investment needs, financial strength, and the Company's personal experience working with Schwab is considered, among other items, in making this suggestion.

## ◆ Additional Compensation

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### Financial Planning Economic Benefits & Conflicts of Interest

Clients are cautioned to consider their options carefully when the Company and its Investment Advisor Representatives ("RA") prepare a financial plan, which recommends the purchase of any securities or insurance products where the RA is also a commissioned representative (in this case insurance) – there is a potential conflict of interest. The incentive on the part of the Company and the RA is to recommend only those products in which they will receive a commission. Consequently, the objectivity of the advice rendered in the financial plan could be subjective and disadvantage the client.

There are also potential conflicts of interest when the Company and its RAs suggest the need for outside consultations and coordination (e.g.: attorneys, CPAs) to implement certain aspects of the comprehensive financial plan. Even though the Company does not share in any fees earned by attorneys or CPAs when implementing an estate and tax plan, those entities to which the Company refers business can. This creates incentive on the part of the Company and the RA to refer client business to only those entities that in turn refer potential clients to the Company. This can eliminate the possibility for the client to be referred to someone who may provide better services at lower cost.

Therefore, to ensure clients understand the full relationship of the Company to any related parties that the Company may refer business, as well as the choices clients have in receiving investment services and/or financial planning, the following disclosures are provided:

- ⊕ Clients may choose any broker/dealer to execute their securities transactions. However, if asked the Company will suggest Schwab to custody the client's investment accounts. Neither the Company nor Mr. Williams will receive any commissions for transactions executed through Schwab or any other broker/dealer.
- ⊕ The Company, if asked to implement a financial plan, will recommend or use only the financial products offered by insurance companies in which Mr. Williams has been appointed. Since Mr. Williams only offers financial products from those insurance companies in which he is appointed, such recommendations made in the financial plan are limited to that pool of products from which to draw. Therefore, it is possible that the client might be able to execute similar insurance transactions elsewhere with greater performance at lower costs.
- ⊕ If requested by the client to implement any insurance recommendations made in the financial plan, Mr. Williams will execute such transactions through those insurance companies in which he is a licensed representative. In such cases, Mr. Williams will receive the normal commissions associated with such insurance transactions.
- ⊕ Clients are under no obligation to use any law or CPA firm that the Company recommends prepare planning documents (i.e., estate, insurance, tax, etc...). Clients are free to choose those entities to implement the recommendations made in the financial plan.

- ⊕ The Company does not receive any economic benefit from referring clients to another professional without first notifying the client of such possibilities. The Company acts completely in a fiduciary capacity – **the interests of the client are first and foremost.**

Notwithstanding such potential conflicts of interest, the Company strives to serve the best interest of the client; as well as, ensuring such disclosure is being properly made to clients in compliance with the Investment Advisor Act of 1940, Rule 275.206 and the Florida Administrative Code 3E-600.0131.

## Referral Compensation

The Company may directly compensate persons for client referrals, provided that those persons are qualified and have entered a solicitation agreement with the Company. Under such arrangements, the client will be provided full disclosure of the compensation paid to the solicitor and whether such referral will result in higher management fees.

END OF THE DISCLOSURE BROCHURE