

**Item 1 – Cover Page**

**TFO-TDC, LLC**

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

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

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

September 1, 2011

This Brochure provides information about the qualifications and business practices of TFO-TDC, LLC (hereinafter “TFO-TDC”). TFO-TDC also conducts business (DBA) under the following names: TDC Investment Advisory Services, TFO, TFO Phoenix, TDC St. Louis, Synergy Wealth Partners and TFO Fineske-Herrick. If you have any questions about the contents of this Brochure, please contact us at (419) 891-9999. 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.

TFO-TDC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about TFO-TDC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for TFO-TDC is 124407.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The last update of our brochure was March 25, 2011.

The current update of our brochure includes the following material change:

- In addition to the operating names included in Item 1, as of September 1, 2011, TFO-TDC will also conduct business (DBA) under the name TFO Fineske-Herrick.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting TFO-TDC's Chief Compliance Officer, Patrick Boyle at (419) 891-9999.

Additional information about TFO-TDC 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 TFO-TDC who are registered, or are required to be registered, as investment adviser representatives of TFO-TDC.

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## **Item 4 – Advisory Business**

TFO-TDC is owned by two trusts: 1) Christopher E. Erblich, Trustee of the Christopher E. Erblich Revocable Trust U/A Dated 12/1/98 and 2) MSJMR 2008 Irrevocable Trust. The Trustee and control person for trust #1 is Mr. Christopher Erblich and the Trustee and control person for trust #2 is Mr. Cleves Delp. Mr. Delp is the Managing Member of TFO-TDC and Mr. Erblich is the President of TFO-TDC.

TFO-TDC has been providing advisory services since 2003. Previous names of the entity have been TFO Phoenix, LLC, TDC St. Louis, LLC and Husch Family Office, LLC.

As of December 31, 2010, TFO-TDC managed \$897,124,945 on a discretionary basis and \$24,414,456 on a nondiscretionary basis.

### **Investment Management Services:**

TFO-TDC manages investment portfolios for a wide variety of clients including individuals, qualified retirement plans, trusts, charitable organizations, small businesses and corporations. TFO-TDC will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. TFO-TDC uses investment and portfolio allocation software to evaluate alternative portfolio designs. TFO-TDC evaluates the client's existing investments with respect to the client's investment policy statement. TFO-TDC works with new clients to develop a plan to transition from the client's existing portfolio to the desired portfolio. TFO-TDC will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

TFO-TDC will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. TFO-TDC will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. TFO-TDC primarily recommends portfolios consisting of passively managed asset class and index mutual funds. TFO-TDC primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may include exchange traded funds (ETFs). Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

TFO-TDC manages mutual fund, ETF, equity portfolios and bond mutual funds on a discretionary basis according to the investment policy selected by the client. A client may impose any reasonable restrictions on TFO-TDC's discretionary authority, including restrictions on the types of securities in which TFO-TDC may invest client's assets and on specific securities, which the client may believe to be appropriate.

TFO-TDC may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. TFO-TDC will request discretionary authority from investment management clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. TFO-TDC will prepare a Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, TFO-TDC may retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain TFO-TDC's consent prior to the sale of any client securities.

On an ongoing basis, TFO-TDC will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. TFO-TDC will periodically, and at least annually, review clients' investment policy, risk profile and to discuss the re-balancing of each client's accounts to the extent appropriate. TFO-TDC will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, TFO-TDC may provide additional wealth management services to clients based on their unique circumstances and needs. Such services may include consulting with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance and risk management analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

**Family Office Services:**

In addition to investment management services described above, TFO-TDC may also provide Family Office services to select clients. These services may include some or all of the following: suggesting and maintaining an appropriate asset allocation, evaluation of overall financial situation and investment portfolio, private & alternative investment analysis, coordination among advisors designated by the client (legal, estate, tax, accounting, insurance and banking), coordination of cash management services, advice and reporting requested by the client. Family Office services may not be offered to all TFO-TDC clients.

**Retirement Plan Services:**

TFO-TDC also provides advisory services to participant-directed employee retirement benefit plans. TFO-TDC will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. TFO-TDC will recommend investment options to achieve the plan's objectives, provide participant education meetings and monitor the performance of the plan's investment vehicles.

TFO-TDC will recommend changes in the plan's investment vehicles as may be appropriate from time to time. TFO-TDC generally will review the plan's investment vehicles and investment policy as necessary.

**Consulting Services:**

Clients can also receive investment advice on a more limited basis. This may include advice on an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. TFO-TDC also provides specific consultation and administrative services regarding investment and financial concerns of the client.

Additionally, TFO-TDC provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

## **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

TFO-TDC has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance and research. TFO-TDC has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. TFO-TDC pays a fee for BAM services. The fee paid by TFO-TDC to BAM consists of a fixed fee paid directly by TFO-TDC. These fees are not separately charged to advisory clients.

The specific manner in which fees are charged by TFO-TDC is established in a client's written agreement with TFO-TDC. For Investment Management, Family Office and Retirement Plan clients will be billed in advance at the beginning of each calendar quarter based upon the value of the client's account at the end of the previous quarter. (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which TFO-TDC calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements). New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first deposit).

For Investment Management, Family Office and Retirement Plan services, TFO-TDC will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to TFO-TDC or its designated service provider, BAM, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit TFO-TDC's fee and remit such fee to TFO-TDC.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account including the 30 day notice period, any prepaid, unearned fees will be promptly refunded.

TFO-TDC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. These fees will generally include a management fee and other fund expenses. All fees paid to TFO-TDC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to TFO-TDC's fee, and TFO-TDC shall not receive any portion of these commissions, fees, and costs.

### **Advisory Fees**

#### **Investment Management, Family Office & Retirement Plan Services:**

Typically, the annual fee for Investment Management, Family Office and Retirement Plan services will be charged as a percentage of assets under management not to exceed 1.75%. TFO-TDC will quote an exact percentage to each client based on both the nature and total dollar value of the account(s) and based on the requirements of the client and the complexity of the services provided. All fees are agreed upon prior to entering into a contract with any client.

In certain circumstances for Retirement Plan services clients, TFO-TDC will bundle investment advisory fees with TPA fees into one fee for a client. TPA services will be provided by an independent Third Party Administration firm. The specific annual bundled fee will be based on the nature and complexity of each client's circumstances, and upon mutual agreement with the client.

#### **Consulting Services:**

TFO-TDC will typically charge an hourly or fixed fee for Consulting Services. Fixed fees will typically range from \$5,000 - \$25,000, depending on the nature and complexity of each client's circumstances. Hourly fees will typically range from \$150 - \$450 per hour, depending on the nature and complexity of each client's circumstances, as well as the individual conducting the work.

The different types of fee arrangements may also be combined as appropriate for the different types of services requested by the client.



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

TFO-TDC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

TFO-TDC provides services to a wide variety of clients including individuals, qualified retirement plans, trusts, charitable organizations, small businesses and corporations.

### Minimum Advisory Fee:

TFO-TDC generally requires a minimum annual fee of \$2,000 for Investment Management, Family Office and Retirement Plan services. This minimum fee may be negotiable under certain circumstances.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### Methods of Analysis and Investment Strategy

TFO-TDC's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. TFO-TDC's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. TFO-TDC recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. TFO-TDC selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, TFO-TDC's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. TFO-TDC's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that TFO-TDC's strategy seeks to minimize.

In the implementation of investment plans, TFO-TDC therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. TFO-TDC may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and TFO-TDC may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

TFO-TDC's strategies do not utilize securities that TFO-TDC believes would be classified as having any unusual risks, and TFO-TDC does not recommend frequent trading, which can increase brokerage and other costs and taxes.

TFO-TDC receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). TFO-TDC utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to TFO-TDC.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, TFO-TDC relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, TFO-TDC may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be

less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by TFO-TDC may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in TFO-TDC's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by TFO-TDC may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TFO-TDC or the integrity of TFO-TDC's management. TFO-TDC has no information applicable to this Item.

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

In addition to investment advisory services, TFO-TDC also provides the following services to clients. These services may be provided individually or in combination for additional fees as agreed upon with a client and based upon the TFO-TDC advisory services provided:

- Record keeping and reporting;
- Income tax planning assistance;
- Financial education for family members;
- Family decision-making processes;
- Philanthropic goals (private and public foundations);
- Estate planning;
- Multigenerational wealth planning;
- Coordination of outside professionals;
- Insurance analysis;
- Trustee administration services;
- Business succession planning.

TFO-TDC generally contracts legal services out to Husch Blackwell, LLP. Additional information about TFO-TDC's affiliation with Husch Blackwell, LLP is disclosed below.

#### Affiliated Insurance Companies & Licensed Insurance Agents

##### TDC Companies, Inc.

TDC Companies, Inc. is under common control with TFO-TDC by virtue of Mr. Cleves Delp ownership and control of TDC Companies, Inc. TDC Companies, Inc. (TDC) is a licensed insurance agency. TDC offers consulting services with regard to term and guaranteed death benefit life insurance products, long-term care products, disability insurance, life settlements and fixed annuity products and coordinates the sale of such products. Associated persons of TFO-TDC are also insurance agents of TDC and are therefore able to recommend and sell insurance products for TFO-TDC clients. In their separate insurance capacities, TDC and these licensed individuals will be able to receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of advisory clients. TDC and/or its licensed insurance agents may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation/introduction of insurance products. Clients, however, are not under any obligation to engage these individuals or TDC when considering the implementation of insurance recommendations. The implementation of any and all recommendations is solely at the discretion of the client.

While these individuals endeavor at all times to put the interest of the clients first as part of TFO-TDC's fiduciary duty, clients should be aware that the receipt of additional

compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

TDC also has an insurance business relationship with BAM Risk Management, LLC, an insurance affiliate of BAM Advisor Services, LLC. As such, TDC provides insurance consulting services and the implementing of insurance product transactions for BAM Risk Management, LLC clients. TFO-TDC pays TDC Companies for certain administrative services.

#### Other Affiliated Insurance Agencies

TFO-TDC is also affiliated with Del Risk, Inc. operating at TDC Risk Management, a licensed property casualty and insurance agency (personal and commercial insurance to individuals and businesses) and Del Tuck, Inc. operating as TDC Benefits, a licensed employee benefits health insurance agency (employee benefit alternatives for business and individuals). Clients of TFO-TDC may also be clients of these affiliated companies and these related companies may be recommended to TFO-TDC advisory clients. No advisory client is obligated, however, to use the services of any of these companies.

#### Schwartz & Associates, Ltd.

Associated persons of TFO-TDC may also be owners, agents and/or brokers for one or more insurance companies, brokers and/or agencies. Certain associated persons of TFO-TDC are also the owners Schwartz & Associates, Ltd. (Schwartz & Associates) a licensed insurance agency. Schwartz & Associates offers insurance consulting services with regard to term and guaranteed death benefit life insurance products, long-term care products, disability insurance, life settlements and fixed annuity products and coordinates the sale of such products. Financial advice may include insurance needs analysis, and TFO-TDC representatives may refer clients to Schwartz & Associates or another insurance company for insurance needs. As such, in their separate capacities as insurance agents or brokers, they will be able to recommend and sell insurance products for TFO-TDC clients. In their separate insurance capacities, Schwartz & Associates and these licensed individuals will be able to receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of advisory clients. Schwartz & Associates and/or its licensed insurance agents may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation/introduction of insurance products. Clients, however, are not under any obligation to engage these individuals or Schwartz & Associates when considering the implementation of insurance recommendations. The implementation of any and all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation itself creates a conflict of interest.

#### Law Firm / Husch Blackwell, LLP

Christopher Erblich, in his individual capacity, is an attorney and partner with the law firm Husch Blackwell, LLP (“Husch”). Husch is a full-service law firm. TFO-TDC is part owned by Mr. Erblich through a revocable trust. Certain other associated persons of TFO-TDC are also attorneys and employees at Husch.

Husch may recommend TFO-TDC to law firm clients in need of advisory services, and TFO-TDC may recommend Husch to advisory clients in need of legal services. Legal services provided by Husch are separate and distinct from the advisory services of TFO-TDC, and are provided for separate compensation agreed upon by Husch and the client. There are no referral fee arrangements or other financial arrangements between TFO-TDC and Husch for these recommendations. However, in certain circumstances, TFO-TDC may utilize and engage the legal services of Husch particularly estate and retirement planning necessary for various TFO-TDC services. TFO-TDC may charge clients, and compensate Husch based on its assistance.

No TFO-TDC client is obligated to use Husch for any legal services, and no Husch client is obligated to use TFO-TDC for advisory services.

#### BAM Advisor Services, LLC

As described above in Item 4, TFO-TDC may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. TFO-TDC selects BAM Advisors Services, LLC for such fixed income management. TFO-TDC also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. TFO-TDC has a fiduciary duty to select qualified and appropriate managers in the client’s best interest, and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of TFO-TDC continuously makes this assessment. While TFO-TDC has a contract with BAM Advisor Services, LLC governing a time period for back office services, TFO-TDC has no such fixed commitment to the selection of BAM Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

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

TFO-TDC has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. TFO-TDC's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth TFO-TDC's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with TFO-TDC may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of TFO-TDC that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, TFO-TDC requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer. TFO-TDC also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

TFO-TDC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. TFO-TDC requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

TFO-TDC will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is TFO-TDC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. TFO-TDC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, 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 private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, 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 advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Brokerage Practices

TFO-TDC participates in the Schwab Advisor Services (“SAS”) program offered to independent investment advisers by Charles Schwab & Company, Inc. (“Schwab”) member FINRA/SIPC. Schwab is an unaffiliated SEC-registered broker dealers and FINRA member. Schwab offers to independent advisors services which include custody of securities, trade execution, clearance and settlement transactions.

With respect to retirement plans, 529 plans and after-tax annuities, TFO-TDC participates in the Hartford Smart 529 Plan offered to advisors providing fee-only investment management. TFO-TDC may also recommend after-tax annuities from Monumental Life Insurance Company, a division of AEGON and Prudential

The Schwab brokerage program will generally be recommended to advisory clients for custody and the execution of mutual fund, ETF and equity securities transactions. TFO-TDC has completed due diligence on Schwab and has determined that these custodians are the best option for the Firm’s clients and the Firm’s business model based on Schwab’s reputation, their ability to provide professional services, competitive commission rates and other services which assist TFO-TDC in providing investment management services to clients. TFO-TDC regularly reviews this program to ensure that its recommendation is consistent with its fiduciary duty. This trading platform is essential to TFO-TDC’s service arrangements and capabilities, and TFO-TDC may not accept clients who direct the use of other brokers. As part of this program, TFO-TDC receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure). TFO-TDC is independently owned and operated and is not affiliated with Schwab.

As TFO-TDC will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct TFO-TDC as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that TFO-TDC will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

TFO-TDC will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by TFO-TDC on client’s behalf by designating the portfolio manager with trading authority over client’s brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.



SAS does not generally charge clients a custody fee and is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts held at the broker. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While TFO-TDC will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other broker-dealers.

Many clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker, and they will instruct TFO-TDC to execute all transactions through that broker. In the event that a client directs TFO-TDC to use a particular broker-dealer, it is understood that under those circumstances TFO-TDC will not have authority to negotiate commissions or to obtain volume discounts, and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

TFO-TDC does not block affiliated trades with any client trades. TFO-TDC also does not have any arrangements to compensate any broker dealer for client referrals.

TFO-TDC does not maintain any client trade error gains. TFO-TDC makes client whole with respect to any trade error losses incurred by client caused by TFO-TDC.

TFO-TDC generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which TFO-TDC arranges transactions. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an TFO-TDC client's orders may be aggregated with an order for another client of BAM Advisor Services, LLC who is not an TFO-TDC client. See BAM Advisor Services, LLC Form ADV Part 2.

#### **Retirement Plan Services:**

TFO-TDC does not arrange for the execution of securities transactions for 401k plans as a part of this service. Transactions are executed directly through employee plan participation. TFO-TDC may, however, arrange for execution of securities transactions for certain plans custodied with Schwab.

**Consulting Services:**

TFO-TDC's consulting services does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Consulting clients will be required to select their own broker-dealers and insurance companies for the implementation of consulting recommendations. TFO-TDC may recommend any one of several brokers. TFO-TDC clients must independently evaluate these brokers before opening an account. The factors considered by TFO-TDC when making this recommendation are the broker's ability to provide professional services, TFO-TDC's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. When consistent with its fiduciary duties, TFO-TDC may recommend a representative of TDC Companies, Inc. for insurance products. Consulting clients may use any broker or dealer or insurance company of their choice.

**Item 13 – Review of Accounts****Reviews:****Investment Management Services:**

Account assets are supervised continuously and reviewed by an Investment Advisor Representative of TFO-TDC. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation;
- d. market/economic conditions; and
- e. realizing tax losses in an account.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

Family Office clients may also receive additional reviews based on client specific factors and request.

### **Retirement Plan Services:**

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

### **Consulting Services:**

These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

### **Reports:**

Typically, clients will receive quarterly performance reports, prepared by BAM and reviewed by TFO-TDC, that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions and current market value.

Family Office clients may also receive additional reports depending on a client's particular service arrangement and requirements. TFO-TDC Family Office reporting may include: net worth summary (asset/liability summary), taxable income detail and cash flow analysis.

Consulting clients receive reports as contracted for at the inception of the advisory relationship.

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

### **Client Referrals**

TFO-TDC may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. Clients should understand that these persons have an economic incentive to recommend the advisory services of TFO-TDC. TFO-TDC is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by TFO-TDC and all applicable Federal and/or State laws will be observed.

### Other Compensation

As indicated under the disclosure for Item 12, SAS provides TFO-TDC with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit TFO-TDC but may not benefit its clients' accounts. Many of the products and services assist TFO-TDC in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of TFO-TDC's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of TFO-TDC accounts. SAS also makes available to TFO-TDC other services intended to help TFO-TDC manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. TFO-TDC does not, however, enter into any commitments with SAS for transaction levels in exchange for any services or products. While as a fiduciary, TFO-TDC endeavors to act in its clients' best interests, TFO-TDC's requirement that clients maintain their assets in accounts at SAS may be based in part on the benefit to TFO-TDC of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by SAS, which may create a potential conflict of interest.

Schwab provides various products, services and other benefits to TFO-TDC at no cost or a reduced cost based on TFO-TDC's commitment that TFO-TDC's clients will place or maintain a specified dollar amount of assets in accounts at SAS within a specified period of time. TFO-TDC may be influenced by this commitment in recommending or requiring that client's establish brokerage accounts at Schwab. The products and services or other benefits provided by Schwab currently include the payment of fees for the following services and/or cost that TFO-TDC may incur: 1) transfer of account exit fees that TFO-TDC's client accounts may incur when transferring assets to SI 2) compliance consulting services 3) acquisition of customer relationship software (and data conversion) 4) technology consulting, technology software, workflow software and consulting, and compliance software implementation and training. Schwab will also pay for all expenses related to travel to Schwab facilities for certain TFO-TDC personnel for training and education at the facilities, which may include but is not limited to, account opening, transfer and ongoing account management processes, fee processes, servicing processes and account management for various types of accounts. Additional event subsidies or

expenses from Schwab may also include providing speakers and designing educational/informational seminars and conferences for TFO-TDC clients or preparing white papers on various financial topics.

Some of the products, services and other benefits provided by Schwab benefits TFO-TDC and may not benefit TFO-TDC clients' accounts. TFO-TDC recommendation that a client place assets in Schwab's custody may be based in part on benefits to TFO-TDC, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

TFO-TDC does not, however, enter into any commitments with this broker for transaction levels in exchange for any services or products. While as a fiduciary, TFO-TDC endeavors to act in its clients' best interests, TFO-TDC's requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to TFO-TDC of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the broker, which may create a potential conflict of interest.

For TFO-TDC's client accounts maintained in custody at Schwab, Schwab does charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

On occasion, FirstMercantile ("FirstMerc"), a retirement plan service provider utilized by TFO-TDC may pay for or subsidize all of the cost, including travel and lodging related to FirstMerc sponsored training and educational conferences for TFO-TDC personnel. TFO-TDC does not, however, enter into any commitments with any retirement plan service providers for transaction levels or asset sizes in exchange for any services, products or conferences, including FirstMerc. While as a fiduciary, TFO-TDC endeavors to act in its clients' best interests, TFO-TDC's recommendation that a client maintain their retirement plan assets at FirstMerc may be based in part on the benefit to TFO-TDC of the availability of some of the foregoing services and not solely on the nature, cost or quality of custody and brokerage services provided by FirstMerc, which may create a potential conflict of interest.

TFO-TDC also receives software from DFA, which TFO-TDC utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for TFO-TDC personnel. These services are designed to assist TFO-TDC plan and design its services for business growth.

As disclosed above, TDC Companies, Inc. and/or its licensed insurance agents and/or insurance agents of other insurance firms, may, from time to time, earn incentive awards

for the recommendation or introduction of insurance products. While these individuals endeavor at all times to put the interest of the clients first as part of TFO-TDC's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. TFO-TDC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

TFO-TDC requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, TFO-TDC observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to TFO-TDC in writing.

## **Item 17 – Voting *Client* Securities**

Proxy Voting: As a matter of firm policy and practice, TFO-TDC does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. TFO-TDC, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that TFO-TDC will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct TFO-TDC to transmit copies of class action notices to the client or a third party. Upon such direction, TFO-TDC will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about TFO-TDC's financial condition. TFO-TDC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.