

**DISCLOSURE BROCHURE FOR**

**Cooke Wealth Management, LLC**

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**Newport Beach, California 92660**

**949.724.3880**

**[www.cookewealthmgmt.com](http://www.cookewealthmgmt.com)**

**March 15, 2011**

This Brochure provides information about the qualifications and business practices of Cooke Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 949-724-3880. This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Cooke Wealth Management, LLC is a registered investment adviser. The use of the title Registered Investment Adviser does not imply a certain 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 Cooke Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 — Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission (SEC) published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. The state of California soon thereafter adopted similar rules. This Brochure dated March 15, 2011 is a new document prepared according to the new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not provide.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes along with the date of the last annual update.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to the new rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 — Advisory Business**

Cooke Wealth Management, LLC ("COOKE", "We", "Us"), founded and owned by John T. Cooke, CFP®, was established in 2003 to help clients manage the complexities of financial success and maintain confidence during market cycles. We believe that Wealth Management is a disciplined process that helps you allocate financial resources to fulfill your unique set of priorities.

We offer two primary services, Investment Management and Financial Planning, which we believe together comprise Wealth Management. Our core expertise is providing personalized investment and financial advice on an ongoing and continuous basis that takes into consideration your individual needs, financial circumstances, risk tolerance, financial priorities and objectives, and reasonable investment restrictions.

### **Investment Management Services**

We manage investment accounts primarily containing stocks, bonds, exchange traded funds, and open-ended mutual funds. Investments include both domestic and foreign positions. We focus on allocating investments among numerous asset classes to help obtain effective diversification. Portfolio allocations are tailored to each client and take into consideration concentrated positions you may currently own. Management is offered on multiple platforms based on your specific needs, preferences and the size and complexity of accounts. These include Cooke Direct Management, Structured Investing and Structured Investing Advantage, and on rare occasion select third party managers. Accounts are managed both on a discretionary and non-discretionary basis as detailed and explained in each client's specific Investment Management Agreement.

***Cooke Direct Management:*** Our direct management services are designed for portfolios over \$1 million and are managed on a discretionary basis. Portfolios may include cash and cash-equivalent assets, stocks, bonds, exchange traded funds, no-load or load-waived mutual funds, variable annuity sub-accounts, and other securities. Portfolios often will include investments from several different mutual fund families. You will receive a quarterly Review Report summarizing account holdings and performance.

***Structured Investing and Structured Investment Advantage:*** We may assist clients in establishing asset-class portfolios serviced by Loring Ward Advisor Services, a division of LWI Financial Inc., known as Structure Investing and Structure Investing Advantage. Generally used for portfolio of less than a \$1 million, these accounts are managed with limited discretion, allowing periodic rebalancing of account(s) to maintain a targeted asset allocation selected by each client. Neither COOKE nor Loring Ward will make changes to the target allocation, or purchase or sell securities not contained in the model, without prior client approval.

*Structured Investing* accounts are invested wholly in mutual funds managed by Loring Ward known as the SA Funds. Loring Ward provides quarterly reports of performance and account holdings and a mechanism for the collection of investment advisory fees payable to us. Loring Ward receives investment advisory, administration fees and shareholder servicing fees as advisor of the SA Funds.

*Structured Investing Advantage* accounts are invested in various other securities as well as shares of SA Funds. Services provided are the same as those of the Structure Investing

program described above with the use of these additional investment vehicles. For the services it provides, Loring Ward benefits if clients choose to invest in SA Funds through internal mutual fund expenses paid directly to them. They receive an administration fee on all non-SA Fund assets held in the account as described more fully in the Structured Investing Advantage account agreement and under Item 5 below.

## **Financial Planning Services**

Financial Planning services are provided to individuals and families regarding the management and allocation of their financial resources. Planning services offered involve the preparation of a Retirement and Lifestyle Plan, with additional planning modules in Wealth Transfer and Estate Planning, Income and Asset Protection, and Investment Allocation. We also offer a Lifetime Income Analysis and Ongoing Financial Coaching, Consultation and Plan Review. The exact services and fees are negotiable and may vary as agreed upon between the parties and evidenced in the Financial Planning Agreement.

Part of our financial planning services may include the formulation of strategies and the recommendation of investment allocation, specific investments, insurance products or other steps or strategies to help achieve your objectives. The Advisory Representatives of COOKE may receive customary fees or commissions from the sale of insurance or other products or services recommended in the financial plan. Therefore, a conflict of interest exists between the interests of COOKE, the Advisory Representative and you. If you elect to act on any of the planning recommendations, you are under no obligation to effect any transaction through COOKE or its Advisory Representatives.

## **Assets Under Management**

As of December 31, 2010, we had a total of \$38,607,738 in assets under management:

|   |              |
|---|--------------|
| On a full discretionary basis:            | \$23,612,675 |
| On a limited and non discretionary basis: | \$14,995,063 |

## **Item 5 — Fees and Compensation**

### **Investment Management Fees**

Investment management fees are payable quarterly in advance. You will receive a fee invoice setting forth the fee calculation for the next billing period as part of the quarterly Review Report. Services, as well as total fees, may be negotiable based on varying factors such as client type, complexity of client circumstances and objectives, pre-existing relationships, and portfolio complexity. Under certain circumstances related accounts may be aggregated for fee calculation purposes.

Management fees are only charged on assets that are traded in the open market and on which Charles Schwab & Co., Inc. can provide a price to determine value. Assets or accounts which are illiquid, such as limited partnerships, fixed annuities and 529 plans are not included in the asset base upon which our billing is based.

If the management period is for less than the entire quarter the fee is prorated for the actual days the assets are managed during the billing period. Upon termination of our management services, any advanced fees paid will be refunded.

You may make additions to your accounts at any time. Additional assets received are subject to a pro rata fee based upon the number of days remaining in the quarter. You may withdraw assets at any time, subject to the usual and customary securities settlement procedures. No fee adjustments will be made for partial withdrawals, appreciation or depreciation within a billing period.

***Cooke Direct Management:*** Cooke Direct fees are calculated by multiplying the total value of billable assets in related accounts as of the last trading day of the preceding calendar quarter by the annual percentage rate divided by four. The annual rate is the declining asset-based rate corresponding to the sum of the billable assets in all related accounts as determined by the following schedule and is a single flat rate applied to all monies.

Investment Management fee schedule (flat rate):

|                             | Per Annum |
|-----------------------------|-----------|
| 0 to \$ 749,999 or less     | 1.20%     |
| \$ 750,000 to \$ 1,249,999  | 1.10%     |
| \$1,250,000 to \$ 1,999,999 | 0.95%     |
| \$2,000,000 to \$ 4,999,999 | 0.85%     |
| \$5,000,000 to \$24,999,999 | 0.60%     |
| Over \$25,000,000           | 0.30%     |

Prorated fees are calculated by multiplying the total value of billable assets in all related accounts at the beginning of the prorated period by the annual rate and by the number of days in the period, divided by the number of days in the calendar year.

***Structured Investing and Structured Investment Advantage:*** The management fee is based on a blended rate determined by applying the annual marginal rate to the dollars within each bracket as indicated in the fee schedule. The total fee is calculated by multiplying the total value of billable assets in related accounts on the last day of the preceding billing period by the applicable annual rates and by the number of days in the period, divided by the number of days in the calendar year.

COOKE'S Structured Investing and Structured Investing Advantage investment management fee schedule (blended rate):

|  | Per Annum |
|--|-----------|
| First \$ 500,000                           | 1.20%     |
| Amounts between \$ 500,001 to \$1,250,000  | 0.75%     |
| Amounts between \$1,250,001 to \$5,000,000 | 0.60%     |
| Amounts above \$5,000,000                  | 0.40%     |

***Administration and Servicing Fees for Structured Investing Advantage:*** Loring Ward receives an administrative fee on non-SA Fund assets held in these accounts. In calculating and collecting the fees due on your Structured Investing Advantage account(s), Loring Ward will determine the applicable rate based on the gross value of all related accounts, and multiply the annualized percentage thereby determined by the value of all assets in your account(s) not invested in shares of SA Funds.

Loring Ward will calculate and distribute its administrative fees quarterly according to the following schedule:

|   | <u>Annualized</u> |
|---|-------------------|
| For accounts valued less than \$250,000             | 0.80%             |
| For accounts valued from \$250,000 to \$499,999     | 0.75%             |
| For accounts valued from \$500,000 to \$999,999     | 0.45%             |
| For accounts valued from \$1,000,000 to \$1,999,999 | 0.40%             |
| For accounts valued from \$2,000,000 to \$4,999,999 | 0.35%             |
| For accounts valued from \$5,000,000 and above      | 0.30%             |

### **Financial Planning Fees**

The minimum fee for our Retirement and Lifestyle Plan is \$3,000. Additional planning modules of Wealth Transfer and Estate Planning, Investment Allocation, and Income and Asset Protection can be added at the minimum cost of \$995 each.

We offer a Lifetime Income Analysis designed to assist those at or in retirement in determining a reasonable withdrawal rate based on current assets. The minimum fee for our Lifetime Income Analysis is \$2,250.

**Hourly Rates:** Minimum fees are subject to an hourly offset. We track all planning time spent on client's behalf. Should the hourly rate times the time spent exceed the minimum fee above by 110%, the total fee due will be the minimum fee plus the amount calculated hourly that exceeds 110% of the minimum fee. The hourly billing rate is:

**Financial Adviser \$550.00**

**Support Staff \$ 95.00**

One half (50%) of the minimum fee is due and payable upon signing of the Financial Planning Agreement. Under no circumstances will we require prepayment more than six months in advance. The balance shall be payable as billed and indicated in the Planning Agreement either monthly, at time of presentation, or under such other terms as agreed upon between COOKE and the client.

Ongoing Financial Coaching, Consultation and Plan Review fees are determined by a number of factors including whether these services are being combined with one or more of our other advisory services or as stand alone. The initial twelve (12) month fee is set between us based on the complexity of your situation and payable quarterly in advance. After this initial period ongoing fees are paid quarterly based on the sum of your annual income plus net worth using the following schedule:

| <u>Sum of income + net worth</u> | <u>Quarterly fee</u> | <u>Annualized Amount</u> |
|----------------------------------|----------------------|--------------------------|
| Less than \$350,000              | \$ 125               | \$ 500                   |
| \$ 350,001 - \$ 500,000          | \$ 200               | \$ 800                   |
| \$ 500,001 - \$1,000,000         | \$ 325               | \$1,300                  |
| \$1,000,001 - \$2,500,000        | \$ 500               | \$2,000                  |
| \$2,500,001 - \$5,000,000        | \$1,250              | \$5,000                  |
| Over \$5,000,000                 | negotiable           | negotiable               |

## **General Information Regarding Fees**

You may terminate the Investment Management Agreement or Financial Planning Service Agreement within five (5) days from the date of signing such agreement, upon written notice to us, and all advisory fees paid by you shall be refunded on the basis of prorating the fees for the services that have not been performed. Thereafter, either party may terminate the Agreement upon thirty (30) days written notice to the other delivered in person, by U.S. mail or overnight courier (postage prepaid) or sent by facsimile transmission (with a hard copy sent by U.S. mail) to the address set forth in the agreement. In the event services are terminated, you agree to pay for all services rendered up to the date of termination. Any fee advanced prior to termination that has been unearned as of the effective date of termination shall be refunded. Investment management fees are calculated on a daily basis for the purposes of refunds.

You may incur certain charges imposed by custodians, brokers, third party investment sponsors and other third parties such as fees charged by managers, brokerage commissions, transaction fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds charge internal management fees, which are disclosed in a fund's prospectus. Additionally, you may incur other costs or fees for miscellaneous activities such as: wire transfer, electronic fund transfers, and account transfer or termination fees.

Such expenses and fees are separate and distinct from the advisory fees we receive for investment management services. COOKE and its Advisory Representatives do not receive any portion of these additional charges and fees. All such fees are usually paid from account or fund assets and may reduce overall performance. Under certain circumstances and upon agreement between the parties we may offset certain fees incurred by you imposed by third parties.

You could invest directly or purchase investment products through another securities broker. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which investment vehicles are most appropriate to your financial condition and objectives, and thereafter to maintain an appropriate allocation mix. Accordingly, you should review both the fees described above and the fees charged by us to fully understand the total fees you will pay and to thereby evaluate the advisory services being provided. We believe that our advisory fees are competitive within the industry; however, you may be able to obtain similar services to those we provide at a lower cost.

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

Under no circumstances do we charge performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## **Item 7 — Types of Clients**

We offer financial planning and investment management services to: individuals; high net worth individuals, trusts and estates, and pensions and profit sharing plans. While we do not have a minimum required to open an account, the services provided are most appropriate for one or more related accounts totaling \$500,000 or more.



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

COOKE generally develops an asset allocation strategy for clients using what is commonly called Modern Portfolio Theory (MPT). MPT is a long-term strategy (anticipating an investment of 5 to 10 years minimum) using a combination of historical expected returns, standard deviations and correlations to help create an asset mix based on your respective risk tolerance, goals and objectives, and financial circumstances. Our advice is based on publicly available research, reports, and investment strategies. Data, including performance of various asset classes and indexes, is obtained from *Ibbotson Associates*, *Morningstar*, *MoneyGuide Pro*, and other outside data sources.

We have discretionary authority, as granted by some clients in the Investment Management Agreement, to determine the securities to be bought or sold as well as the amount of each. In general, we manage portfolios to stay within a range as indicated by your pre-determined asset allocation model, amended or updated from time to time. This range is determined initially by an absolute percentage deviation of 3-5% and additionally with sensitivity to the relationship of the percentage deviation as it relates to the total allocation determined by the model. We may vary this deviation percentage as we deem appropriate based on changes in economic and financial markets. While this discretionary authority is not limited to maintaining the asset allocation selected it is our practice not to deviate significantly without first discussing and/or obtaining an amended allocation model. Only COOKE and not its representatives have this discretionary authority.

Investing in securities involves risks, which include risk to the principle as well as risk to the return received. No diversification or asset allocation strategy can eliminate investment risk or losses and there can be no assurances that the expected performance will be realized. All such risks in the accounts we manage are borne solely by client. These strategies may, however, provide opportunities to lessen portfolio volatility. Clients should also be aware of additional risks associated with international investing such as increased volatility, currency fluctuations, and differences in auditing and financial standards.

## **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 us or the integrity of our management. There are no events that are material to our client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

Some of the Advisory Representatives associated with us may also be licensed to sell insurance, be appointed with various insurance companies, and may recommend to clients insurance products on a commission or fee basis. In such cases these services are not provided by COOKE and, as such, any commission or fee for the purchase of insurance are paid to the individual providing the service and not to COOKE.

We do not have a partnership with any other company or have any obligation to use a particular broker/dealer or vendor. Moreover, we are independently owned and operated and not affiliated with Schwab, Loring Ward, or any other investment adviser, broker/dealer, or entity.

## **Item 11 — Code of Ethics**

We have adopted a Code of Ethics expressing our commitment to ethical conduct and to ensure we put your interests ahead of our own. The Code of Ethics, along with our written Supervisory Procedures, covers a wide range of topics that include: general ethical principles, confidentiality of client information, receipt and giving of gifts, personal security trading, a prohibition on insider trading, the misuse of material non-public information, and reporting violations. All individuals associated with us are further required to act in accordance with all applicable Federal and State regulations governing our business.

We have instituted procedures reasonably necessary to prevent violations of this Code, including sanctions which may result in termination. Clients and prospective clients may obtain a copy of our Code of Ethics without charge upon request by either calling 949-724-3880 or emailing [cwm@cookewealthmgmt.com](mailto:cwm@cookewealthmgmt.com).

Our recommendations result in clients' holding primarily open-ended mutual funds, Exchange Traded Funds (ETFs) and other highly liquid securities. COOKE and individuals associated with us follow the same recommendations for their own accounts, owning many of the same securities as clients. We believe that all such common ownership and any resulting trades take place in the open market and at a volume that does not negatively impact clients. We have established procedures to monitor and regulate securities transactions of all individuals associated with us and ourselves to reasonably ensure that neither receives an added benefit nor advantage over clients.

It is our policy that the firm will not affect any principal or agency cross securities transactions for client accounts nor allow cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 — Brokerage Practices**

We do not maintain custody of your assets, although we may be deemed to have custody if you give us authority to withdraw our fees directly from your account (see Item 15 — Custody below). Your assets must be held in a qualified custodian, generally a broker-dealer or bank. We recommend that clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. While we recommend you use Schwab as custodian/broker for your accounts, you may select other custodian/brokers. Ultimately you will make the final decision and will open your account(s) with your custodian/broker by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other

available providers and their services. Factors considered in recommending Schwab include:

- Schwab's extensive financial strength and reputation
- Competitiveness
- Combination of transaction execution and custody services, including reporting
- Capability to facilitate transfers and payments to and from accounts
- Quality of services
- Breadth of available investment products, including no-load and load-waived, no transaction and low transaction cost mutual funds.
- Prior service to us and our other clients

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for security trades that are executed through Schwab or that settle into Schwab accounts. Schwab charges commission rates, which are generally considered discounted from customary retail commission rates. However, the total fees charged by Schwab, including commissions and/or transaction fees, may be higher or lower than those charged by other broker-dealer/custodians. The fees charged by Schwab, or any other designated broker-dealer/custodian, are exclusive of and in addition to our investment management fees.

We reasonably believe that Schwab's blend of client services, transaction costs, record keeping, advisor technology platform, as well as professionalism allows us to seek the best execution (the best terms reasonably available in light of all relevant factors) and competitive prices. When clients select other broker-dealers we may not be able to obtain the best execution.

## **Products and Services Available to Us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

***Services that benefit you:*** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

***Services that may not directly benefit you:*** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account.

These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

***Services that generally benefit only us:*** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

***Our Interest in Schwab's Services:*** The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients and is primarily supported by the scope, quality, and price of Schwab's service (see above) and not Schwab's services that benefit only us. We currently have over \$23 million in client assets in custody at Schwab, and do not believe that recommending Schwab presents a material conflict of interest.

### **Third party managers**

On rare occasion we may recommend you invest assets with another investment adviser/manager. When assisting clients in selecting certain third party programs, we may require or recommend you use a particular broker/dealer or custodian. Occasionally, there may be a conflict of interest in assisting clients with such a selection because our compensation in connection with the program may vary depending on the broker/dealer or custodian selected. We do not, however, have discretion to choose any broker/dealer or the commission rates to be paid and only can make suggestions and recommendations.

While selecting custodians and broker/dealers to execute trades, clients should be aware that best execution and lower commissions might not necessarily be achieved to their advantage.

### **Trade Allocation / Block Trading:**

Our investment strategy results in limited trading that is generally specific to each client therefore, we believe that aggregating trades is rarely worthwhile and will not seek to aggregate trades unless aggregation is clearly consistent with our duty to seek best execution.

### **Item 13 — Review of Accounts**

Managed accounts are reconciled in conjunction with the download process into our client Asset Management software and reviewed, by your Adviser Representative, on a random basis throughout the year. Accounts are reviewed on a quarterly basis by the production of our Out of Balance report showing positions that vary significantly from their target allocations. Allocation variance is further reviewed when significant change occurs in the economic and financial markets.

We encourage you to contact us with any changes to your financial circumstances, risk tolerance, account restrictions, or investment objectives. The nature and frequency of personal contact regarding client accounts varies and includes, but is not limited to, telephone conferences, letters, and review meetings which occur at a frequency preferred by client. We welcome and encourage client calls to our office during normal business hours

Investment Management clients receive reports, no less than quarterly and most often monthly, from the custodian of their investment account(s). Quarterly Review reports, which contain a summary of all accounts managed, are mailed directly from us, from third party money managers or from outside servicing agents when utilized. We urge you to carefully review custodial statements and compare the holdings reported with those reported on your Quarterly Review Report.

Advisory Representatives prepare financial plans based upon the client's financial needs, goals and objectives. The written financial plan is presented to planning clients at the conclusion of our analysis. The Financial Planning Agreement terminates with the presentation of the financial plan, unless you have elected ongoing consultation or plan review. Plans are reviewed per the agreement at a frequency selected by you. This may range from quarterly reviews to review only when you request.

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

We do not pay referral fees of any kind to either affiliate entities or unaffiliated entities that directly or indirectly solicit any client for or refer any client to us. For purposes of this policy, affiliated entities include any partner, officer, director, representative or employee.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 — Brokerage Practices*).

The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We may retain firms, such as Loring Ward, to provide certain services such as account administration, portfolio allocation analysis, asset-class investment strategy, back-office fulfillment, report and statement production, and fee debiting. Such services are paid directly through fees billed to you. We may recommend, where appropriate, you invest in shares of the SA Funds - Investment Trust (the "SA Funds"), a family of asset class mutual funds advised, managed and administrated by Loring Ward. Loring Ward receives certain fees and expenses directly from the SA Funds for its services as disclosed in the Fund's prospectus.

These firms as well as others may sponsor educational seminars for investment advisers. These education sessions provide our personnel with access to information and ideas regarding account management, practice management, advanced investment planning, technological changes and account acquisition methods and strategies from the sponsor or other participants at such events. Attendance expenses associated with such seminars may be paid, either in whole or in part, by the sponsoring firm(s).

Additionally, we may receive other services intended to help manage and further develop our business enterprise. These services may include: marketing, graphic design, compliance, legal, business consulting, and insurance providers. Providers may make available, arrange, and/or pay third-party vendors for services rendered and/or may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services.

From time to time, we may make arrangements with certain other investment advisers or service providers to reimburse us a portion or all of the expenses associated with educational seminars or events for clients and/or potential clients.

These additional products and services may benefit us but may not directly benefit you. Therefore, we may have an incentive in recommending one of these service providers which creates a conflict of interest with you. We do not believe this potential conflict to be material.

## **Item 15 — Custody**

Protecting client assets is one of our highest priorities. All assets managed by us must be maintained in a qualified custodial account. Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct your custodian to deduct our management fees directly from your account. You will receive account statements directly from your custodian at least quarterly. They will be sent to the email or postal mailing address you have provided. We urge you to carefully review the statements received from your custodian and compare such official custodial records with your own and with the Review Reports that we may provide you. Our reports may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 — Investment Discretion**

As granted in the Investment Management Agreement, we may have discretion over your account(s) to determine the securities to be bought or sold as well as the amount of each. In all cases, however, such discretion is exercised in a manner consistent with the stated investment objectives including limitation and restrictions that you may provide. We will not accept a general power of attorney, the authority to open or close accounts on your behalf, nor the power to withdraw or direct funds to a third party (except where we have the authority to direct your custodian to deduct our management fees directly from your account).

## **Item 17 — Voting Client Securities**

Without exception, we do not vote proxies on behalf of clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. COOKE personnel may answer questions regarding proxy-voting matters in an effort to assist you in determining how to vote a proxy. However, the final decision of how to vote all proxies rests with you. This proxy voting policy is described in our Investment Management Agreement and in our Supervisory Manual. You may obtain a copy of our complete proxy voting policies and procedures upon request.

## **Item 18 — Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. We have no debt and no financial commitments that impair our ability to meet contractual and fiduciary commitments to clients. We have never been the subject of a bankruptcy proceeding.