

## Rexford Capital, Inc.

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**This brochure provides information about the qualifications and business practices of Rexford Capital, Inc. If you have any questions about the contents of this brochure, please contact us at 713-838-8383, 800-838-5583 or [info@rexfordcapital.com](mailto:info@rexfordcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Rexford Capital, Inc. also is available on the SEC's website at 128227 [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Although Robert Rexford is registered investment advisor, this attribute does not imply a certain level of skill or training.

**2) Material Changes**

**None**

REXFORD CAPITAL  
WEALTH MANAGEMENT

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REX FORD CAPITAL  
WEALTH MANAGEMENT

#### 4) Advisory Business

**4A) Description of Advisory Firm:** Established in 2003, Rexford Capital is an independent fee-only investment advisor, actively managing individual investment portfolios containing domestic equity, international equity, and fixed income securities for high net worth individuals, retirement plans, and trusts. We believe that we can add value by acting as a fiduciary and avoiding the conflicts of interests associated with brokers, banks and insurance companies, promoting our independence and putting the interests of the client before our own. Our only revenue is the advisory fees our clients pay us.

The firm is a Sub Chapter S Corporation with two 50% owners, Robert Stanley Rexford and Kimberley Wells Rexford.

#### **4B) Description of Advisory Services**

Approximately 95% of Rexford Capital revenue comes from providing investment supervisory services, also known as investment management. On more than an occasional basis, through Wealth Management, the firm furnishes advice to clients on matters not involving securities, typically financial planning matters, which represent about 5% of our revenue. We charge a percentage of assets under management.

Investment management and the activities that support it is where we spend most of our time. It is our experience that the most quantifiable difference between our clients and the prospects we encounter is our clients have a higher average rate of return. The difference, the best we can ascertain, is made up of two parts. The first and least significant is our 3 performance against an index. There are two indices we publish numbers against, and this typically has been a small amount of difference. The second and much larger is from protecting the client from making mistakes in market timing. The prospects we interview usually have made some mistakes, such as inappropriate investments, or emotional changes at precisely the wrong time. To the extent we can prevent clients from making mistakes, we feel this is our most quantifiable benefit to our clients.

Wealth management and financial planning are the other specialties we possess. Unfortunately, we feel the profession has not matured into a stand-alone profession. Robert is a Certified Financial Planner™ and a NAPFA registered advisor (National Association of Personal Financial Planners) which is a higher standard for reasons we will describe later. Robert has extensive experience with financial planning, but he no longer does written financial plans. His guidance will be to our Wealth Advisory clients only.

#### **Investment Management:**

Once we complete the initial interview, we create an Investment Policy Statement for the client. This policy summarizes the information gathered in the questionnaire: risk and reward tolerance, any investment constraints, and both short and long-term investment objectives. The client will be provided a copy of the Investment Policy Statement upon request.

Investment Management includes:

- Discretionary Asset Management
- Allocation of assets across accounts
- Quarterly Portfolio Valuation Reports showing
  - \* Rate of Return (time weighted geometrically linked)
  - \* Sector and Industry Analysis
  - \* Capital Gains or Losses
  - \* Detailed Billing (account aggregation with family members)
- Cash Management Services
- Proxy Voting
- Evaluation of Corporate Actions
  - \* Restructurings
  - \* Purchase Offers
- Tendering Shares

Clients requiring Financial Planning may elect to use our Wealth Advisory Service, which combines our Investment Management with ongoing financial planning beyond the initial interview.

**Wealth Management:**

Wealth Advisory is our financial planning offering. We created our Wealth Advisory Service to help families with financial decisions. Services include life planning, advising on employee retirement accounts, educational accounts, life insurance, and trust accounts. We do not charge an additional management fee for the allocation of employee retirement accounts (such as a 401K) or the investment choices for an insurance policy (such as an annuity or life insurance product); this service is included in the wealth management fee. Since we cannot control the investment decisions at these mutual funds or annuities, we exclude them from our published numbers.

**4C) Customization**

We have tried various forms of customization, with the results almost always worse than if we never allowed it. Generally, we would like to write we will never customize, but if the circumstances could be done without any significant harm to the client, we may consider it. The one customization trap we most frequently find ourselves in is that of tax planning. At times the tax code encourages us to change our behavior. Before we sell securities we check the clients cost basis and the date of purchase. If, as we find frequently, by holding off selling a short period of time we may push a short term gain into a long term gain, we may do so if the tax rates would benefit the client. If the client has a unique tax situation that would benefit if we recognized losses or gains, we have been known to reallocate if it benefits the client. The net overall experience has been a reduction in performance, so unless the tax savings is significant, we do not want to let the tax issue dominate decisions.

We have no interest in investment restrictions with social, political, corporate, racial, environmental, gender, or any other agenda. We are a fiduciary and our loyalty is to the

client, not to any other cause. Let us invest in a way to allow you to reach your financial objectives.

#### **4D) Participation in wrap fees programs**

Rexford Capital has never participated in wrap programs.

#### **4E) Assets under management**

Rexford Capital as of 12/31/2010 was managing 25.7 million in discretionary assets, with a total of 27.2 million in total assets. We exclude financial planning assets in these totals.

### **5) Fees and Compensation**

#### **5A) Our Fees**

Pricing for this program is charged monthly in arrears based on assets under management at an annual rate of 1.7%, based on the previous end-of-quarter. We have a minimum annual fee of \$5,000. Fees are not negotiable; our employees pay the same fees as our clients. In anticipation of additional funds under management, we may waive the minimum annual fee.

<u>Assets Under Management</u>	<u>Annual Fee</u>
Under \$500,000	1.7%
\$500,001 to \$1,000,000	1.7%
\$1,000,001 to \$3,000,000	1.7%
Over \$3,000,000	1.7%

Minimum annual fee: \$5,000

Although closed to new clients, pricing for the Wealth Advisory Service, combining our Investment Management Service and continuous financial planning as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Under \$500,000	2.50%
\$500,001 to \$1,000,000	2.15%
\$1,000,001 to \$3,000,000	1.80%
Over \$3,000,000	1.75%

Minimum annual fee: \$6,000

#### Financial Planning or Consulting Service

Clients of the firm may also purchase financial planning or consulting services on an hourly basis, charged at the rate of \$500/hour due immediately upon receipt of such services, unless otherwise negotiated.

Rexford Capital Inc. does not have a minimum account size, but applies an annual minimum account fee for each service provided by the firm. Accounts may be aggregated to allocate service minimums in lieu of individual account minimums. If an account does not have enough cash, or a minimum cash level is required, fees will be deducted from what we believe to be the most appropriate account.

### 5B.) How and When Compensation is Payable

Fees are debited from the clients' accounts on the last day of the month earned, based on the previous quarter's balance. Each client receives a quarterly invoice showing the monthly fees. The Fidelity statement will also show the monthly fees.

Initial fees will be prorated to cover the period from the date the account is funded until the end of the quarter. The fee will be calculated by multiplying the last day of the month's portfolio value by the percentage of days in the quarter multiplied by one quarter ( $\frac{1}{4}$ ) of the annual fee. Thereafter, fees are based on the trade date market value of the portfolio (including cash) as reported by the custodian for the previous quarter's last monthly statement. Fidelity's statements are as of settlement date. We believe that trade date accounting is more indicative of true account values. Trades executed but not settled are not reported as part of the portfolio value on the Fidelity monthly statement. We will adjust the value to include any trades done before the end of the quarter. These trades are reported as "pending trades" on Fidelity's statement.

### 5C.) Other Fees and Expenses

The Firm has also negotiated several trading arrangements with Fidelity Institutional as custodian. Fidelity's pricing is listed below:

	Aggregate Family Account Size	
	Over \$1,000,000	Under \$1,000,000
Stocks	\$7.95 up to 1000 shares 1 cent p/s over 1000 shares	\$12.95 up to 1000 shares OR \$7.95 w/ electronic confirmation 1 cent p/s over 1000 shares
Bonds Principal	No Additional Cost	No Additional Cost
Bonds Agency Corporate Government	\$2.50 per bond \$50	\$2.50 per bond \$50
Options	\$10.95 plus .75 per contract	\$10.95 plus .75 per contract

Wire fee \$30 Trade-Away Fee \$20

Retirement Account Closing Fee (accounts moved to other brokerage firms) IRA, Keogh, SEP \$75 per account. Most bonds trades are principal trades.

The depository institution that sponsors ADR's (American Depositary Receipts) may charge a small fee for the dissemination of foreign dividends. These fees are the cost to have foreign investment cash flows deposited in US dollars.



#### **5D.) Client Refunds or Client Termination**

We do not deduct fees in advance. We deduct fees in arrears, so there will not be an issue with a client prepaying.

Required Texas disclosure:

Either party may terminate the agreement in writing. If the client should terminate the agreement within 5 business days of execution of the Client Agreement, no penalties or fees will be assessed. In the case of termination of service after those initial 5 business days, the client will receive a prorated refund of any prepaid fees.

#### **5E.) Other Compensation from sale of products**

1) Rexford Capital does NOT receive any compensation from the sale of any product, in the broadest sense of the word. We are members of NAPFA (National Association of Personal Financial Advisors), an organization that calls itself "Fee-Only". Brokers will use the word "Fee-Based". We see "Fee-Based" as a grave conflict of interest, and one of the reasons Mr. Rexford left Merrill Lynch.

2) We do NOT offer advice for clients that want to do it themselves. We do not offer advice for clients through other brokers. We accept referrals from any source, but we will not pay any compensation for any referral.

3) We do NOT receive any commissions or other compensation from the trades we make. If a Broker would like to discount trades, the savings will go directly to the client.

4) We do NOT offer any offset programs. An offset program is where a service (typically financial planning) is offered and paid for (maybe \$5,000). As an incentive to have a client try an additional product (typically Money Management), the firm may apply the financial planning fee towards money management.

We will broadly discuss your financial situation at no cost. If you need additional planning, such as creating a detailed budget or any other specific planning requirement, we will recommend outside advisors to meet your specific request. We will receive no compensation from such referral.

#### **6) Performance-Based Fees**

We do NOT have performance based fees.

We think the public should avoid firms that do. If a manager has a good performance one year, they could be overly compensated, for if in the future the account drops, the investors will be stuck with the losses. This incentive system encourages risk taking, and thus we have no performance based fees.

#### **7) Types of Clients**

We provide investment advice to individuals, primarily retirees. Clients may also include: pension and profit sharing plans, trusts, estates, and corporations or other business entities.



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

### **8A) Methods of Analysis and Investment Strategies**

Our strategies may include: long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options, or spreading strategies). If there is a big order on the other side we can fill it with a market order. If we get a partial fill, or if the market is moving away from us, we may need to change some prices. Whatever happens, we are always trying to get the best price. When the work is complete, by aggregating the trades, the entire client base will share the average price.

Our GIPS (Global Investment Performance Standards) composite description is as follows:

Our portfolio as having an investment objective of seeking a return similar to the long-term historical stock market return with less volatility, in an opportunistic manner, using a full range of investment strategies to invest in stocks, bonds, and options. Primary investment targets are dominant companies in attractive industries in a global context positioned to appreciate from their leadership position. Opportunities for improving income and risk adjusted returns are sought through careful security selection with a focus on this dominant market position, strong relative earnings strength and high profit margins. These portfolios have comparatively high dividend yields and low price earnings multiples. When market conditions warrant, volatility is reduced by selling calls and puts to increase cash flow. This strategy is for investors with a greater than 10-year time horizon plus the ability to tolerate moderate risk and volatility. An appropriate benchmark for this composite would be a blend of 80% S&P 500 Index and 20% Barclays Capital Municipal Bond Index. An alternative benchmark is a blend of 80% AC World and 20% Barclays Capital Municipal Bond Index.

Past returns and volatility are not indicative of future returns and volatility. Our clients should have a minimum ten-year time horizon, as investment in securities involves risk of loss.

*Stocks* We evaluate investments relative to future cash flows. Companies with dominant positions in their industry have the opportunity to create cash flow where weaker companies cannot. We prefer companies that are larger, more profitable, with superior positions within their industry.

We prefer an industry with a strong secular trend but we also look for bottoming cyclical trends. We watch a company's profit margins to rank each company's competitive position and its ability to withstand difficult times. We firmly believe that integrity is critical in long term success of a company. We prefer higher earnings yields and high relative growth rates.

During times of high volatility, we have sold options. We sell call options to increase income, lower volatility, and exit a position. When we sell a call we receive a premium (or cash); in return, we give up some upside potential. This upside is limited to the call, price plus the premium. We sell put options to provide additional cash flow and enter positions at lower cost.

*Bonds* are more difficult to ascertain risk and generally require a more cerebral effort. Bonds have interest-rate risk, default risk, and reinvestment risk, in addition to others. We usually invest in municipal bonds. We like the "non-commercial" aspects of cities, states and school districts.

Our strategy with bonds has been that “return of the money can be more important than the return on the money”. We generally pick General Obligation bonds, previously all AAA rated and insured. We like to go toward the longer term, looking for the highest return we can get without going over the line of complicated securities that might have risks we have never seen before.

*Options* We typically write covered calls on companies that have recently moved higher. Sometimes it is for a price we would be willing to sell the company, but sometimes it is more of a hedge to protect us from a modest decline. The hedge is quite small, usually 1-2% so hedge is probably too strong of a word. If the stock moves up or down a couple percent we will probably be happy we did it. Many times this is not the case, the two extremes are a violent move up or down. This is where it could get complicated but both of these are bad. Either we took the risk and only made a little, or we took the risk and got punished. The one attribute that has protected us is the fundamental analysis we did in the first place. By purchasing generally larger, high quality companies for the right price, we typically do not see the volatility that the market could experience. This may not always be the case, and it is why at times we may not be writing options.

We typically write puts on companies we want to purchase. The asymmetries of risks are the same as a covered call. If the stock goes up we make a small amount, if it does down we can lose a lot. Our only protection from a having a below average experience is the judgment of purchasing a stable company during the lower end of its trading range.

All transactions shall be subject to the constitutions, rules, regulations, customs and usages of the Option Clearing Corporation and any exchange or other marketplace where executed. As a client they should be aware of and agree to be bound by the rules of the Financial Industry Regulatory Authority (FINRA) and the New York Stock Exchange, Inc. (NYSE) and the Options Clearing Corporation applicable to option contracts.

The purchase and the writing of options contracts involve a degree of risk, are not suitable for many investors and, accordingly, should be entered into only by investors who understand the nature and extent of their rights and obligations and are fully aware of the inherent risk involved, especially during extreme market volatility or trading volumes. Fidelity sends each client who signs an option agreement is sent the brochure Characteristics and Risks of Standardized Options. Investors can also find the ODD document at the following website <http://www.optionsclearing.com/about/publications/character-risks.jsp>

*Portfolio* The one risk we will always have in one form or another is market risk. We can do all of the research we want, but if the overall market is down, we will probably be down. In 2008 the S&P 500 was down 38%, The World Index was down 42% and we were down 28%. Our worst quarter was near the very end of the correction. This was a result of our net purchasing into the decline. In reflecting back, not knowing when the bottom is, we do not think we would have done anything different. Thus if the market had not corrected, our returns could have been worse. We do not know the future but if we get to relive another crisis, we plan to again net purchase capital assets as the overall market declines. Below we will go into the benchmarks we typically track. The future is uncertain and to the extent something happens that is extreme, we will probably suffer if it is seen as bad, and prosper if it is seen as beneficial.

### Benchmarks

An 80% equity 20% fixed income is an appropriate index. An appropriate US Index would be a blend of 80% S&P 500 with dividends (S&P 500) and 20% Barclay's Capital Municipal Bond Index (Muni). An appropriate Global Index is a blend of 80% MSCI World Index developed and emerging with dividends net of tax (World) and 20% Muni Index. The volatility of the indices may differ from the volatility of the composite. Our historical volatility has been closer to an 80/20 than 100% equity, for we may have cash and bonds and the options we use tend to reduce volatility. Past volatility of our portfolio or any of the index blends may not be the indicative of future volatility. The index price data is provided from Interactive Data.

The Standard & Poor's 500 (S&P 500) is a market cap weighted index of the prices of 500 large cap common stocks actively traded in the United States. The stocks included in the S&P 500 are those of large publicly held companies. Standard and Poor's is a division of McGraw-Hill Companies. The index we are using includes the dividends. Typically we have more exposure to U.S. markets than a true market cap weighted All Country World index.

The World Index (MSCI All Country World Index) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of January 2009, the index consisted of 46 country indices comprising 23 developed and 23 emerging market country indices. It is maintained by MSCI, formerly Morgan Stanley Capital International, and priced in US Dollars. The MSCI World Index measures the market performance, including both price performance and income from dividend payments. The total return methodology reinvests net dividends in the index on the day the security is quoted ex-dividend. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI uses withholding tax rates applicable to Luxembourg holding companies.

The Barclay's Capital Municipal Bond Index (Muni Index) was formerly the Lehman Brothers U.S. Municipal Index covers the US dollar-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The composition is rebalanced monthly at each month end and represents the set of bonds on which index returns are calculated. Interest and principal payments earned are held in the index without a reinvestment return until month-end when it is removed from the index.

The blends are a weighted average of the period's returns of the S&P 500 and the Muni Index, and the MSCI World Index and the Muni Index.

**Risk:** The Adviser does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Adviser may use, or the success of the Adviser's overall management of the account. The Client understands that investment decisions made for the account by the Adviser are subject to various markets, currency, economic political and business risks, and that those investment decisions will not always be profitable. The Adviser will manage only the securities, cash, and other investments held in the Client's account. In making investment decisions for the account, the Adviser will consider only the investments owned by the Client which the Client has disclosed to the Adviser.

We manage a client's multiple accounts as if they were one. Thus smaller accounts will not be diversified in a way to stand on its own, only as a piece of the whole. In cases where clients are liquidating, we will sell securities as required, and the client acknowledges that such sales will be reducing the diversification of the remaining portfolio. Clients that want to borrow on securities are allowed to and should realize the volatility of the net portfolio will increase.

Assets are invested primarily in a diversified portfolio of New York Stock Exchange listed domestic and foreign stocks, occasionally in over-the-counter securities. Investments may also include: warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds), U. S. government securities, options contracts on securities, and interests in partnerships (oil and gas or real estate). Initial public offerings (IPOs) are not available through Rexford Capital. The money market fund charges each shareholder an investment management fee that is disclosed in the mutual fund prospectus. The brokerage firm usually charges a fee for stock and bond trades. Rexford Capital does not receive any compensation from mutual fund companies or custodians.

#### **8C.) Risk of Loss in a Particular Type of Security**

We manage a diversified portfolio of assets. Please refer to Section 8B. for risks of a particular asset.

#### **9) Disciplinary Information**

**Rexford Capital or management persons have NO disciplinary issues, either in the past 10 years nor pending.**

**9A.) No criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Rexford Capital or management persons**

1. was convicted of, or pled guilty or nolo contendere ("no contest") to
  - (a) any felony;
  - (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or
  - (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

**9B.) No administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, nor any foreign financial regulatory authority in which Rexford Capital or management persons**



1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - (a) denying, suspending, or revoking the authorization of Rexford Capital or management persons to act in an investment-related business;
  - (b) barring or suspending Rexford Capital or management persons association with an investment-related business;
  - (c) otherwise significantly limiting Rexford Capital or management persons's investment-related activities; or
  - (d) imposing a civil money penalty of more than \$2,500 on Rexford Capital or management persons.

**9C.) No self-regulatory organization (SRO) proceeding in which Rexford Capital or management persons**

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

**9D.) No other proceeding in which a professional attainment, designation, or license of Rexford Capital or management persons was revoked or suspended because of a violation of rules relating to professional conduct.**

**10) Other Financial Industry Activities and Affiliations**

**10A.)** We are not registered as a securities broker-dealer nor have an application pending.

**10B.)** We are not registered as a futures commission merchant, commodity pool operator, or commodity trading adviser, nor have an application pending.

**10C.)** We do not have arrangements with a related person that is a

- a. broker-dealer, municipal securities dealer, or government securities dealer or broker
- b. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- c. other investment adviser or financial planner
- d. futures commission merchant, commodity pool operator, or commodity trading advisor
- e. banking or thrift institution
- f. accountant or accounting firm
- g. lawyer or law firm
- h. insurance company or agency
- i. pension consultant
- j. real estate broker or dealer
- k. sponsor or syndicator of limited partnerships.

1. futures commission merchant or dealer or entity that packages limited partnerships. Neither we nor any related person serve as general partner for investments we solicit.

**10D.)** We recommend financial advisors but don't receive compensation for it.

## **11) Code of Ethics**

**Objectivity:** We strive to be as unbiased as possible in providing advice to clients and we practice on a fee-only basis.

**Confidentiality:** We shall keep all client data private unless authorization is received from the client to share it. We shall treat all documents with care and take care when disposing of them. Relations with clients shall be kept private.

**Competence:** We shall strive to maintain a high level of knowledge and ability. We shall attain continuing education at least at the minimum level required by NAPFA, 60 hours every two years. Members shall not provide advice in areas where they are not capable.

**Fairness & Suitability:** Dealings and recommendation with clients will always be in the client's best interests. We put our clients first.

**Integrity & Honesty:** We will endeavor to always take the high road and to be ever mindful of the potential for misunderstanding that can accrue in normal human interactions. We will be diligent to keep actions and reactions so far above board that a client, or other professional, would not doubt our intentions. In all actions, we should be mindful that in addition to serving our clients, we are about the business of building a profession and our actions should reflect this.

**Regulatory Compliance:** We will strive to maintain conformity with legal regulations.

**Full Disclosure:** We shall fully describe method of compensation and potential conflicts of interest to clients and also specify the total cost of investments.

**Professionalism:** We shall conduct ourselves in a way that would be a credit to ourselves at all times. The code involves integrity, honest treatment of clients, and treating people with respect.

### **11A.) Description of Code of Ethics**

Our code is available upon request. We are members of four industry groups and are subject to their codes of conduct. The codes evolve over time and we intend to evolve with them. These are NAPFA (National Association of Personal Financial Advisors) for they are particularly good at avoiding conflicts, CFP (Certified Financial Planner) for their efforts to help in financial planning, the CFA (Chartered Financial Analyst) for their efforts in security analysis, and IMCA (Investment Management Consultants Association) for their efforts in investment management. We are a fiduciary, and we feel if the 8,000 IMCA members, the 62,000 CFP's, the 200,000 CFA's and the maybe



1,000,000 brokers were held to the same standard of conduct as the 2,000 NAPFA registered financial advisors, the public would be better served.

**11B.) Material Financial Interest**

Rexford Capital does not recommend clients invest in any investment that related persons have a material financial interest. We do recommend that clients invest in securities that Rexford Capital and its clients concurrently own; however, our positions in these publicly traded companies are considerably less than 1%, so as to not affect the current market price.

**11C.) Participation or Interest in Client Transactions:**

When trading in our account we typically trade in a block with clients. If we do not trade with clients, we have a 48 hour rule. This prevents employees from benefiting from trading before a client.

Robert Rexford and Kim Rexford have their entire investable net worth in the securities recommended by Rexford Capital. Rexford Capital and its employees buy or sell securities that are also held by clients. Firm personnel hold securities recommended for purchase or sale on behalf of clients. The Firm's policy allows for simultaneous recommendations or trades, but requires that the interests of clients are considered first. We have a policy that prevents front running, the practice of trading before a client. Since all securities under consideration are public and are widely held, we do not believe we will have a large impact on the price of securities. To avoid any conflicts, we do not trade against clients; our trades in the same security are done from the same side. A copy of our Code of Ethics is provided.

Front running is the illegal practice of a broker putting in an order before a customer's order. This is related to trading with insider information, for if you know of a pending trade you might be able to benefit from such information. Rexford Capital prohibits front running and we have a policy regarding employees' personal trading to deal with our prohibition with front running. At Rexford capital we generally deal with this by trading with clients and sharing our average price.

**11D.) Concurrent Trades**

We typically purchase a certain percentage of the entire household net worth. Thus a 2 million dollar account will be looking at twice the position of a one million dollar account. Unless a client has a unique situation, either they deposited cash, deposited a security, or needed cash, all of our trades are done through a block trade. This allows us to purchase a security in one or several trades, bundle them together as if it were one trade and allocate to all of the clients, including ourselves, at the average price. If there is a partial fill, we have a process to allocate fairly. By purchasing securities in a block, everyone gets the average price. If a conflict arises, we will favor the client.

**Privacy Notice**

We at Rexford Capital Inc. respect your financial privacy. We recognize that you have provided us with private personal financial information and want you to know our policy regarding that information.

We collect your personal financial information from the following sources:

- Information you have given us such as investment advisory agreements, brokerage account applications, and other documents you completed while opening and maintaining your accounts with us.
- Information you have given us orally.
- Information we receive from third parties such as brokerage firms, outside managers and banks about your transactions with us or with others.

We do not disclose any nonpublic personal financial information about you to anyone, except in the following circumstances:

- When we are required to execute transactions for your account or otherwise to provide services you request.
- When you have specifically authorized and directed us to do so, i.e. under the Wealth Advisor Service, pertinent information will be forwarded to our team of professionals.
- When required by law, when our books and records are examined by federal or state regulators.

We maintain physical, electronic and procedural safeguards within the firm's offices to protect your privacy.

## **12) Brokerage Practices**

Specific custodian recommendations are made to clients based on their needs. Most of our clients have simple needs, but occasionally we will hear of a special need, such as a prepaid forward or a commodity trade. For most of our clients we recommend custodians based on what we see as the best execution of orders at reasonable commission rates. The ability to offer block trades and options are two limiting factors.

Rexford Capital recommends discount brokerage firms and trust companies (qualified custodians). Rexford Capital does not receive fees or commissions from any of these arrangements.

Fidelity makes Advisor Channel software available to us in order to execute block trades through Fidelity and to download information on clients' accounts electronically. This software is not available for sale, and all Advisors using Fidelity are equipped with Advisor Channel.

Occasionally we make mistakes in order entry. Fidelity Investments credits or debits our corporate account with any gains or losses that result. Since it is our capital on the line we may take steps to minimize any losses. At times our efforts may be successful, turning a loss into a gain.

We feel that some clients are better served with our Wealth Advisory Service. Since the fee is higher with Wealth Advisory, it creates a conflict of incentive to recommend it.

We want our employees to stay as current with Financial Planning and Investment Management. One of the methods we use is to attend conferences. Conferences can serve as an advertising venue for companies marketing products and services to investment advisors. The firm does not make product decisions based on its attendance. Some events charge admission, some are subsidized, and some are free. Below is a list of conferences attended or under consideration for attendance by firm personnel, showing what entity covers expenses.

	Travel	Lodging	Food	Conference
NAPFA	RCI	RCI	RCI	RCI
Schwab Impact Conference (SCH)	RCI	RCI	RCI	RCI
Schwab Solutions Conference (SCH)	RCI	RCI	SCH	SCH
TD Ameritrade National (TDAMTD)	RCI	RCI	TDAMTD	TDAMTD
Fidelity Educational Workshops (FID)	RCI	RCI	FID	FID
IMCA Sponsored Conferences	RCI	RCI	RCI	RCI
CFA Sponsored Conferences	RCI	RCI	RCI	RCI
FPA National (FPA)	RCI	RCI	RCI	RCI

\*RCI – Rexford Capital, Inc.

All computers, research, software, postage, marketing materials, seminars, client dinners, advertising, furniture, copiers and printers are paid for by Rexford Capital. Fidelity does make Advisor Channel software available to us in order to execute block trades through Fidelity and to download information on clients' accounts electronically. Advisor Channel is not available for sale, and all Advisors using Fidelity are equipped with Advisor Channel.

From time to time we are entertained by a vendor when we attend a conference or seminar. It is our goal to pay our costs, but we will allow a vendor to pay as long as the cost is modest.

#### 12A.) Research and Soft Dollar Benefits

Generally, when dealing with a national brokerage firm, we are advocates of the least expensive option. Having written that, integrity and the ability to perform is absolutely critical to handling of money. As the history of sovereign debt has been a history of default. A similitude has been the history of banks, brokerage firms and insurance companies have been a history of catastrophe. A recent example we learned was from a former employee of a large online brokerage firm. The firm had dozens of staff to help transfer accounts in, but just one person to transfer accounts out. This kind of information is difficult to obtain. If we learn of a policy that seems to offer a risk to the client, we will avoid such firms. We would avoid any firm, regardless of savings, that had such a predatory practice.

- 1) We have never had a soft dollar relationship. We see this as a gross conflict of interest, a misuse of client property, and a kick back in the rawest sense of the word.
  - a) We pay for our own research. If we received research or other product or service from the trades we did though the custodian, we would have a gross conflict of interest, so we do not.

b) We do NOT accept benefits from the custodian based on our behavior. This would be a conflict of interest, an incentive to behave in a way that would not be in the interest of the client. Anyone calling themselves a Fiduciary must avoid these conflicts.

c) We do NOT cause clients to pay more for transactions and in return receive direct or indirect benefits. In common vernacular we do not accept kickbacks. We continually check with Fidelity, Schwab, TD Ameritrade, and Raymond James to compare commissions pricing to confirm that we are receiving the best price and execution.

d) We do NOT accept soft dollars. If the level of trading we do allows us to get a lower price in any form, the savings will go directly to the client. Each client will benefit to the extent that the client has executed transactions.

e) Rexford Capital, our employees and related persons do NOT receive any products or services from the brokerage commissions. The only product we receive is Fidelity Advisor Channel and Wealth Central - two products that are not available for sale, nor do they require any amount of activity to receive them. They are products Fidelity has developed to help Advisory Firms transact business electronically.

f) We did NOT have any soft dollar transactions in the past fiscal year, nor since the founding of the firm.

2) We do NOT participate in directed brokerage.

3)

a) As of this writing, we have never received a referral from Fidelity, and since they are a competitor, it is unlikely we will get one. If we get one it will be presumably from the reputation our firm. It will not be because we paid them for the referral.

b) Since we do not pay any brokers for client referral, we do not have any procedures to deal with such conflict. We think the best procedure is to just not do it.

#### 4) Directed Brokerage

a) We require accounts that we manage to have the assets at Fidelity. Prior to 2011, we did not require any client to have an account at Fidelity. Not all advisors require clients to direct brokerage, and at times, there may not be most favorable execution that may cost clients more money. We have only used Fidelity's capital in the purchase and sale of bonds. Fidelity has BondTraderPro with a network of 175 brokers-dealers that allows us to access other firm's capital on 35,000 securities. Bond Trader Pro allows us to purchase from other brokers inventory and allows them to bid on our bonds.

b) We do NOT permit clients to direct brokerage. There is no easy way to clear trades fairly through two or more firms. Whoever gets to trade first should win.

We have concluded it is best to clear through one firm, until that firm is inferior and then we will try to move all accounts to another firm.

**12B.)** We prefer to aggregate trades whenever possible, thus allowing everyone to share an average price. This will allow us to work large orders in what we think is usually the best way, limit orders. Trading has a living characteristic to it. If you show a large order in a thinly traded stock, you will usually see the price move away from you. If it is a large order we can put in a series of smaller trades. There is no discount on the commission; whatever Fidelity charges for each account will be unaffected by the size of the overall block. With bond aggregation, there is usually a discount to the clients' price.

### **13) Review of Accounts**

**13A.)** Investment Management reviews are performed continually by Robert Rexford. We have technologies that will allow us to manage thousands of accounts without any additional infrastructure. Conditions that trigger a review are typically changes in the price of securities, and the redistribution of assets into more attractive or less risky positions.

**13B.)** Reviews are also performed on a client-specific event which would include changes in a client's own situation which might include a tax status, an employment event, retirement or a need to raise cash. We also check each client's rate of return with that of our average. If there is a disparity we will look for reasons.

**13C.)** Clients will receive a Quarterly Performance Review from Rexford Capital by US mail. In addition we will deposit the report in an electronic vault for quicker dissemination. We provide the vault for the clients benefit.

### **14) Client Referrals and Other Compensation**

**14A.)** We do NOT receive any economic benefit from non-clients for providing investment advice or other advisory services to our clients.

**14B.)** We do NOT compensate any person that is not a supervised employee. No related party compensates any person that is not a supervised employee. We have been solicited by brokers that want a percentage of the commission of the clients they refer. This is a gross conflict. The prospect needs to understand why the referral is being made, because the broker really believes in the service or because he is getting paid to recommend firms.

### **15) Custody**

Fidelity is our custodian and the definitive source for account information. Fidelity typically sends monthly statements; for inactive accounts, annuities, or 529 accounts, the statements are quarterly. In addition Fidelity offers online access so many security values are priced daily or even intraday. Rexford Capital sends statements quarterly. Our statements are for information purposes only; Fidelity will be the definitive source. If a discrepancy exists we ask any client to let us know so we can correct it. Our reports are uploaded to an electronic vault so they can be viewed electronically.



#### **16) Investment Discretion**

When the client executes a Full Trading Authorization, Rexford Capital has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, and brokerage to be used. We do not accept limitations to the Full Trading Authorization. Rexford Capital does not receive any portion of the transaction fees or commissions paid by the client to the custodian.

#### **17) Voting Client Securities**

**17A.)** Our proxy policy is to vote what we believe to be in the clients' best interest. Clients may request records from us indicating how we voted on any particular proxy issue or our proxy policies. We vote with the financial interests of the shareholders. If a client asked us to vote in a way that would not maximize the value to shareholders, we would ask the client to remove the security from our management and hold it somewhere else. Due to the small size of our firm, there should be no material conflicts of interest.

**17B.)** Not applicable.

#### **18) Financial Information**

Rexford Capital does not serve as a custodian for client funds or securities, thus no balance sheet is required.

**18A.)** We do NOT require or solicit prepayment of fees.

**18B.)** There is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

**18C.)** We have NOT been subject to a bankruptcy petition at any time, including the past 10 years.

#### **19) Requirements for State-Registered Advisers**

**19A.)** Robert S. Rexford (1964) has a Bachelor of Science in Economics with Financial Applications from Southern Methodist University (1987) and a BBA from the Cox School of Business at Southern Methodist University. He is a Certified Financial Planner Certificant<sup>TM</sup>, and National Association of Personal Financial Advisors (NAPFA) registered Fee-Only advisor, a member of the Financial Planning Association (FPA), member of the CFA Institute and member of IMCA (Investment Management Consulting Association). He is a Texas Life and Health Insurance Counselor and has the Series 65 (Investment Advisor Exam). He is the President and Chief Compliance Officer for Rexford Capital. His CRD number is 1863055.

In September 2003 he began Rexford Capital, Inc.; previously he was a Global Large Cap Portfolio Manager for Merrill Lynch & Co. for 13 years and worked for Oppenheimer as an Advisor for Private and Corporate accounts.

**The CFP® certification** is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.



To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **Membership Requirements for NAPFA-Registered Financial Advisors:**

**Fiduciary Standard:** The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client including:

- Always act in good faith and with candor.
- Be proactive in disclosing any conflicts of interest that may impact a client.
- Not accept any referral fees or compensation contingent upon the purchase or sale of a financial product.

**Advice across Disciplines:** NAPFA-Registered Financial Advisors are broadly trained to bring together and apply the separate disciplines comprising personal finance—income tax, financial position and cash flow, retirement preparation, estate planning, investments, and risk management. NAPFA-Registered Financial Advisors and their associated firms help clients by offering a full range of coordinated advice on issues surrounding a client’s personal financial situation—not limiting their advice to marketable financial assets alone. NAPFA-Registered Financial Advisors work in a variety of business models to apply their approach—private wealth management, family and multi-family offices, trust

departments, accounting firms, ensemble financial planning firms, and solo professional practices—where compensation is by fee-only—always. To maintain and enhance technical skill across disciplines, NAPFA-Registered Financial Advisors are committed to lifelong learning.

**Education:** Bachelor's degree, in any discipline from an accredited institution.

**Specialized Education Requirement:** As of January 1, 2010 NAPFA requires the Certified Financial Planner (CFP) credential to meet the advanced, broad-based education in financial planning requirement for new NAPFA-Registered Financial Advisors. Additionally, NAPFA will accept the CPA/PFS to meet this requirement, provided the applicant has attained the credential by taking the comprehensive exam offered by the AICPA.

**Peer Review:** Applicants for NAPFA-Registered Financial Advisor status may select one of three pathways for peer review:

1. Case submission. The applicant may submit a case which documents work performed for an actual client over a service cycle completed within the 12 months prior to submission. The case does not need to be written but must be documented. The case should follow NAPFA's current peer review checklist and should meet the following guidelines:
  - a. It must summarize all relevant facts and financial data for the client; identify the client's values, goals, and needs; provide a list of client problems, issues and opportunities that were addressed; summarize specific recommendations, including rationale and supporting documentation, and how the recommendations were implemented.
  - b. It must address, or document consideration of, all the following functional areas of personal finance: income tax, financial position and cash flow, retirement planning, estate planning, investments, and risk management.
  - c. It must show evidence of applying an integrated approach, tying together issues and opportunities across all of the functional areas listed above
2. Traditional written Financial Plan submission. The applicant may submit a traditional written financial plan. The plan, which must be prepared within the 12 months prior to submission, must meet the following guidelines:
  - a. The plan must apply an approach to advisory services that includes: collection and assessment of all relevant data from the client, identification of client goals, identification of client financial problems, provision of recommendations, assistance in implementation of the recommendations, and the offer of periodic review.
  - b. The plan must address all of the following factors: income tax, cash flow, retirement planning, estate planning, investments, risk management, and any special needs planning.
  - c. The plan must be either the author's original work product or a plan created under the supervision of the applicant and should follow the current peer review checklist. It may reflect an actual client case or a fictitious case.
3. Financial Plan based on a fact pattern provided by NAPFA. The applicant may submit a traditional written financial plan using a fact pattern provided to them by NAPFA. The plan, which must be prepared within the 12 months prior to submission, must meet the following guidelines:
  - a. The plan must apply an approach to advisory services that includes: collection and assessment of all relevant data from the client, identification of client goals, identification of client financial problems, provision of recommendations, assistance in implementation of the recommendations, and the offer of periodic review.
  - b. The plan must address all of the following factors: income tax, cash flow, retirement planning, estate planning, investments, risk management, and any special needs planning.
  - c. The plan must be either the author's original work product or a plan created under the supervision of the applicant and should follow the current peer review checklist. It may reflect an actual client case or a fictitious case.

**Continuing Education Requirement is two-fold: 60 hours total**

32 core hours include a minimum of five credit hours in each of the following core areas: Insurance & Risk Management, Investments, Income Tax Planning, Retirement Planning & Employee Benefits, Estate Planning, and Communications & Counseling; and a minimum of 2 hours in Ethics of Financial Planning. The 28 additional hours may be earned in either seven elective or five core areas.

**Experience:** An individual must have had at least 36 months of experience being primarily engaged in the provision of comprehensive financial planning services, which experience must have been attained within the past 60 months and must include the most recent 12 months.

**Compensation by Fee Only:**

**NAPFA's definition of a Fee-Only Financial Planner**— NAPFA defines a Fee-Only financial advisor as one who is compensated solely by the client with neither the advisor nor any related party receiving compensation that is contingent on the purchase or sale of a financial product. Neither Members nor Affiliates may receive commissions, rebates, awards, finder's fees, bonuses or other forms of compensation from others as a result of a client's implementation of the individual's planning recommendations. "Fee-offset" arrangements, 12b-1 fees, insurance rebates or renewals and wrap fee arrangements that are transaction based are examples of compensation arrangements that do not meet the NAPFA definition of Fee-Only practice. If you have questions about specific compensation arrangements, please contact the NAPFA Membership Manager.

**Prohibition of certain ownership interests and employment relationships**—Neither a member nor an affiliate may own more than a 2% interest in, or be employed by, a financial services industry firm (see definition below) that receives transaction based compensation as prohibited by the NAPFA standards of Membership and Affiliation. A related party (see definition below) to a member or an affiliate may not own more than a 2% interest in a financial services industry firm that receives transaction based compensation as prohibited by NAPFA; and to whom the member or affiliate makes referrals or otherwise directs business.

Financial services industry firm includes any entity or individual that offers any type of financial service, e.g., securities broker or dealer, investment adviser, asset manager, investment company, banking institution, savings institution, trust company, mortgage bank, credit union, savings and loan association, insurance broker or dealer or agent, real estate broker or agent, commodities broker or dealer or agent. Related party means a household member with whom a member or affiliate shares income or economic benefits.

If you have questions about prohibited relationships please contact the NAPFA Membership Manager.

**Compliance with NAPFA standards and industry regulations—  
Members and Affiliates**

- must abide by the NAPFA Code of Ethics, Standards of Membership and Affiliation, Bylaws, resolutions adopted by the Board and all rules set forth in the NAPFA Policies and Procedures Manual.
- agree to comply with all federal and state statutes, rules, regulations, administrative and judicial rulings, and other authorities applicable to the provision of financial planning or advisory related services.
- agree that they will make all appropriate filings, amendments and renewals as appropriate to required filings with regulatory authorities. This shall include, but is not limited to, Form ADV. As a condition of NAPFA membership, any and all Form ADV filings may be reviewed by the Membership Task Force.

**Prompt notification of certain disciplinary and legal events—**

Members and Affiliates have a continuing obligation to inform the NAPFA National Office, in a prompt manner and in writing, of significant disciplinary and legal events. These events include, but are not limited to, the following:

- any disciplinary inquiry or proceeding initiated by any federal, state or local civil or criminal authority or regulatory body, including any inquiry or proceeding relating to the firm with which the individual is associated;
- any disciplinary inquiry or proceeding initiated by a credentialing or membership organization or authority to which the individual is subject, e.g., Certified Financial Planner Board of Standards, State Board of Public Accountancy;
- any bankruptcy, receivership, or other type of assignment or arrangement for the benefit or protection of creditors of the individual or any entity in which the individual holds an interest of 5% or more.

The **FPA Membership** only requires payment of dues.

**CFA Regular Membership**

To qualify as a regular member of CFA Institute and a local society, you must:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Pass Level I of the CFA exam or pass the self-administered Standards of Practice Examination.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society (find a society). Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

The **IMCA membership** only requires payment of dues.

**Life and Health Insurance Counselor**

"Life and health insurance counselor" means a person who for compensation, offers to examine or examines a life, accident, or health insurance policy, a health benefit plan, or an annuity or pure endowment contract to give advice or other information regarding: the policy, plan, or contract terms, conditions, benefits, coverage, or premiums; or the advisability of: changing, exchanging, converting, replacing, surrendering, continuing, or rejecting a policy, plan, or contract; or accepting or procuring a policy, plan, or contract from an insurer or health benefit plan issuer.

**License Requirements**

Passing the Texas Examination for Life and Health Insurance Counselor Series 14-55, 150 questions – 2.5-hour time limit, or passing the as chartered life underwriter (CLU), chartered financial consultant (ChFC), or Certified financial planner (CFP) exam. Every two years the State of Texas Insurance Commission requires 30 hours of continuing education plus 2 hours of ethics, 50% in classroom or classroom equivalent. A person may not act as a life and health insurance counselor unless the person holds a license.



**EXAMINATION.** (a) An applicant for a life and health insurance counselor license must take an examination administered that includes the following:

- (1) fundamentals of life and health insurance;
- (2) group life insurance, pensions, and health insurance;
- (3) law, trust, and taxation;
- (4) finance and economics; and
- (5) business insurance and estate planning.

(b) The department may not issue a life and health insurance counselor license to a person unless the person has passed each part of the examination.

Unlike an agent's license, an appointment to act for an insurer is not a condition to the issuance of a life and health insurance counselor license.

**Uniform Investment Adviser Law Examination - (Series 65) (NASAA)** - 130 multiple choice questions; 3 hours testing time.

The Series 65 exam is designed to qualify candidates as investment adviser representatives. The exam covers topics that have been determined to be necessary to understand in order to provide investment advice to clients.

The Uniform Investment Adviser Law Examination consists of 130 questions plus 10 pretest questions. Applicants are allowed 3 hours to complete the examination. At least 94 (72%) of the questions must be answered correctly for an individual to pass the Series 65 exam.

The examination is conducted as a closed book test and is administered by the FINRA. Each examination question is statistically analyzed to insure reliability.

**19B.)** We are NOT engaged in any other business.

**19C.)** We are NOT compensated by performance-based fees. This creates a "Heads I win, Tails you lose". This would incentivize an advisor to potentially, probably inevitably, take more risk.

**19D.)** No management person has been involved in any of the legal events below:

- 1) We have not been found liable in an arbitration claim in excess of \$2,500 involving:
  - A. an investment or an *investment-related* business or activity;
  - B. fraud, false statement(s), or omissions;
  - C. theft, embezzlement, or other wrongful taking of property;
  - D. bribery, forgery, counterfeiting, or extortion; or
  - E. dishonest, unfair, or unethical practices.
- 2) An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding* involving any of the following:
  - A. an investment or an *investment-related* business or activity;
  - B. fraud, false statement(s), or omissions;
  - C. theft, embezzlement, or other wrongful taking of property;

D. bribery, forgery, counterfeiting, or extortion; or  
E. dishonest, unfair, or unethical practices.

**19E.)**We do not have any other relationships with any other issuer of securities

REXFORD CAPITAL  
WEALTH MANAGEMENT