



LAW & ASSOCIATES, INC.  
*wealth management &  
financial planning*

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This brochure provides information about the qualifications and business practices of Law & Associates, Inc. If you have questions about the contents of this brochure, please contact us at 301-229-8500 or by e-mailing the Chief Compliance Officer, Janice L. Henderson at [janice@lawandassociates.com](mailto:janice@lawandassociates.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 Law & Associates, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC does not imply a certain level of skill or training.

In the past we have submitted to both the SEC and to our clients what has been called “Form ADV II” which is a filing we make with the Securities and Exchange Commission each March. The SEC modified the Form and its content for 2012.

This year’s filings are known as “ADV 2” and earmark the SEC’s attempt to have its registered investment advisers prepare brochures for clients that are in “plain English”. At Law & Associates, Inc., we always use “-plain English” in our approach as we try to understand your demographics, age, income, level of education, and job experience. We introduce you to investment terms and financial terminology. We discuss with you investment concepts that we safely assume you will understand. We commit to thoroughly questioning you about your goals, and your understanding of what is being discussed, and your ability to assume risk.

Once we have drawn this profile of you through our process of establishing a balance sheet and cash flow, tax projections, and other analytical data you are then asked to complete an investment policy questionnaire. Not everyone is meant to be an investor and at Law & Associates, Inc. we have a long history of asking the questions that assure we have done the right thing in creating an investment structure for your portfolio that works with your life experience and expectations. We are financial planners first and always operate with your best interests in mind.

Annual appointments which are offered to all clients are meant to be the touch point from where our earlier decisions are revisited to make certain that we are all still working together. Life often interferes in a good financial strategy and adjustments have to be made along the way.

We will always revisit the balance sheet which we consider to be the heart of putting your financial house in order.

### **MATERIAL CHANGES**

This brochure is being amended and filed as part of our regular annual update process, but does include two material changes from our last brochure filed on March 31, 2011. Those changes exist in the hiring and inclusion of new registered employees and the amount of assets under management.

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## **1. ADVISORY SERVICES AND FEES**

Law & Associates, Inc. has been an independent Registered Investment Advisor since 1980. Prior to that date and since 1973 the advisory filings had been under the independent name of Sally E. Law who continues to be the sole owner of Law & Associates, Inc. This gives us a legacy relationship of filings of 38 years with the Securities and Exchange Commission (SEC).

Law & Associates, Inc. provides supervisory services and furnishes investment advice through consultations. It also, on more than an occasional basis, furnishes advice to clients on matters not involving securities. Law & Associates, Inc. has continuously operated with a financial planning bias. Our advice is limited to the material needs of our clients. Our training on investments in various forms is ongoing.

At Law & Associates, Inc. in order to serve our clients we prepare a balance sheet, and cash flow as well as tax pro-formas and tailor our advice to what best fits the needs and life cycle of the clients we serve. Clients do and have placed restrictions on the types of securities they will hold for reasons of profession or beliefs.

In order to serve our client's interest, we often utilize the account management services of a broker-dealer firm to establish investment accounts. We have had a relationship with Raymond James & Associates, Inc. for thirty-one (31) years. This is a fully disclosed relationship.

Law & Associates, Inc. has assets under management of \$134,277,961 in securities portfolios. Law shares physical facilities with the Branch Office of Raymond James Financial Services, Inc. We frequently use Raymond James' approved portfolio managers for our clients, but we have the ability and authority to recommend fund managers outside of Raymond James. Law & Associates, Inc. exercises its own discretion in deciding which investment funds and portfolio managers to recommend to its clients. We do not always follow the recommendations of Raymond James. We have the authority to recommend the replacement of any of the portfolio managers for our clients. Law & Associates, Inc. is responsible for devising the asset allocations for our clients, and for selecting the portfolios and managers to implement the allocations.

At Law & Associates, Inc. there are no brokerage arrangements. The staff of Law & Associates, Inc. may be separately licensed as Registered Representatives through Raymond James Financial Services, Inc. and their parent company Raymond James & Associates, Inc., and as such will place brokerage business with that broker-dealer. Law & Associates, Inc. is independent of Raymond James, and does not wrap accounts with Raymond James for the purpose of charging a single fee. Fees charged by Law & Associates, Inc. for advisory work are separate. They are discussed separately, billed separately and filed separately. Registered Representatives of Raymond James & Associates, Inc. are compensated separately.

We sometimes recommend portfolio managers sponsored by Raymond James, and sometimes recommend portfolio managers who are independent of Raymond James. Either of these portfolio

managers may have a wrap fee program under which they may charge fees based upon a combination of assets under management and commissions for transactions. In deciding whether to use a wrap fee portfolio manager for clients, we closely consider our clients' planning requirements, their balance sheet, their investment policy questionnaire, their cash flow needs, their tax situation, and their position in the life cycle. We also consider whether mutual funds, individual stocks, or a combination of each will benefit our clients more.

In selecting portfolio managers for our clients, we undertake a variety of due diligence for the benefit of our clients. We often conduct third party reviews, meet with managers, look at performance information, assess or verify the accuracy of information, evaluate the management costs, and evaluate the overall goals, objectives and history of the portfolio managers. Our due diligence does not end there. We continue to monitor and assess the performance of the portfolio managers selected for our clients to ensure that they are meeting the investment objectives and financial needs of our clients.

## **2. FEES AND COMPENSATION**

We are compensated for our advisory relationship on an hourly fee, annual fee and/or initial fee basis. Fees may vary depending upon the services provided and the amount of time involved. We discuss the fees with our clients and obtain their approval prior to charging for our services. Hourly fees range from \$50 to \$300 an hour depending upon whether the services provided are administrative, financial planning, or investment advice. In addition, we may charge an annual fee for our services. The annual fee is for financial planning and wealth management, as well as investment advice and can range from \$500 to \$2,000 annually depending upon the time estimated for each client's needs. Clients are billed no more than \$1,200 per six month period. Initial fees are for financial planning and investment advice we may provide new clients. The minimum fee for this service is \$2,000. Our fees are not negotiable. No other investment adviser fees or expenses are charged to our clients for our investment adviser services. All fees are discussed with our clients in advance and are fully disclosed to them.

Fees are not deducted from our clients' accounts unless they authorize us in writing to make the deductions. Our clients typically pay Law & Associates, Inc. directly for our hourly, annual and/or initial fees.

New clients are given an initial appointment and consultation without charge to discuss the range of services which Law & Associates, Inc. can provide them. The initial consultation is a way for new clients to decide whether we are the right fit for them and whether they want to engage Law & Associates, Inc. to be their investment adviser. At the same time, we are able to assess the needs of the new clients to determine whether our investment adviser services are appropriate for them. If a new client and Law & Associates, Inc. agree to proceed further, we usually meet with the client at least two times, if not three additional times, to understand and assess the client's financial situation, needs and investment objectives and to provide financial planning and investment advice. Clients are required to pay us one-half (1/2) of our agreed upon fees in the first meeting after our initial consultation. The balance of our fee is due upon completion of our planning meetings.

Law & Associates, Inc. does not make incentive payments or pay bonuses to its employees for offering any particular products or services. Our employees are paid a salary without regard to the amount of fees they generate for the firm. Our employees are not paid on a commission basis. Their work is well supervised and only our experienced investment adviser representatives meet with our clients personally. We adhere to the highest standards of our profession and assist our clients in making decisions which we believe are in their best interests. Our clients are involved in the process at all times.

Although Law & Associates, Inc. has an affiliated relationship with Raymond James & Associates, Inc., clients may have brokerage accounts with a broker-dealer that is not affiliated with Law & Associates, Inc. The “affiliated relationship” means that the investment adviser representatives of Law are Registered Representatives with Raymond James & Associates, Inc. Law does not handle securities transactions for client accounts that are held at broker-dealer firms outside of Raymond James.

Clients who have brokerage accounts with Raymond James will typically pay Raymond James a commission for securities transactions in their accounts. If the Registered Representatives of record are also investment adviser representatives of Law & Associates, Inc., they will be paid as Registered Representatives their share of the commissions charged by Raymond James. When the Registered Representative recommends no-load mutual funds to its clients, if the clients purchase the funds directly, commissions are not paid to Law & Associates, Inc. or any of its investment adviser representatives who are also licensed Registered Representatives. If Raymond James purchases no-load or load mutual funds for clients through their Raymond James brokerage account, the mutual funds may pay commissions to Raymond James, which in turn pays the Representatives of record their share of the commissions.

We sometimes recommend portfolio managers sponsored by Raymond James. The portfolio managers may charge the clients a wrap fee for assets under management, or commissions for securities transactions, or both. The portfolio managers may pay Raymond James as the broker-dealer a percentage of the fees or commissions charged the client. In turn, Raymond James will pay a portion of the fees or commissions to the Registered Representatives who are investment adviser representatives of Law & Associates, Inc.

There is a potential conflict of interest when employees of the independent, Law & Associates, Inc., recommends securities transactions for a client whose brokerage account is maintained by Raymond James, or recommends a portfolio manager sponsored by Raymond James, because commissions may be paid to the Registered Representative who is affiliated with Law & Associates, Inc. We address these conflicts on a transaction by transaction basis by ensuring that the investment recommendations made to our clients are suitable and in their best interests. Law & Associates, Inc. adheres to a Code of Ethics which makes the interests of our clients paramount to any compensation interests. We also act as fiduciaries to our clients and honor our fiduciary duties when we make investment recommendations resulting in securities transactions in our clients’ brokerage accounts or with portfolio managers.

The annual fees paid by our clients are not reduced or offset by the amount of commissions which are paid by Raymond James to its Registered Representatives who also are investment adviser representatives of Law & Associates, Inc. However, Law & Associates, Inc., exercises its discretion and will sometimes arrange through Registered Representatives for Raymond James to discount the securities commissions charged the client, or will cause its dual registered representatives to discount

their brokerage commissions resulting in a savings to the client. This occurs on a discretionary basis and is not discussed with our clients in advance.

Divorce planning fees are charged on an hourly basis following the same criteria as our financial planning fees.

### **3. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Law & Associates, Inc. does not accept any performance based fees.

### **4. TYPES OF CLIENTS**

Law & Associates, Inc. serves a wide-range of clients. Many of our clients have been with us for more than 30 years. We provide professional financial planning and investment advice to individuals, families, small businesses, and corporations for their pension plans. There are no minimum requirements for opening or maintaining an account, such as a minimum account size. Our principles require us to screen prospective clients to learn as much about them as possible. We reserve the right not to accept clients if we feel that they will not be able to follow our investment guidelines or advice. With respect to the securities portfolios it has devised for its clients, Law performs the following supervisory and management services as it deems appropriate:

- Reviews and analyzes research on the performance of investment funds considered for its clients or in which its clients have invested, making recommendations based on its comparative analysis
- Makes investment decisions for clients, subject to their consent, based on the comparative analysis
- Actively researches information about the investment funds and portfolio managers
- Talks to portfolio managers
- Reviews and analyzes research provided by Raymond James
- Reviews and analyzes research from sources other than Raymond James, including but not limited to Morningstar, Investment News, Investment Daily, and Global Pension, Exchange Funds, and Kiplinger to name just a few
- Reviews and analyzes research available from other broker-dealers and subscription services
- Reviews annuity prospectuses
- Performs analyses on the performance of its clients' accounts

- Devises and implements scheduled withdrawals for its clients
- Monitors and supervises its clients' accounts, including securities transactions, distributions, deposits and withdrawals
- Makes decisions about the investment strategies to be employed in its clients' accounts; changes strategies as the clients' financial situation, needs and investment objectives change; changes the composition of securities and managed portfolios as market conditions warrant; changes asset allocations; provides continuous and regular investment advice to its clients as requested by the clients or deemed appropriate by Law.

## **5. METHODS OF ANALYSIS, SOURCES OF INFORMATION, INVESTMENT STRATEGIES AND RISK OF LOSS**

We are balance sheet financial advisors. We talk with our clients. We explain to each client the risk of loss that can occur. We review those client balance sheets on a regular basis. We pride ourselves in having strong relationships and balance sheets that are in order for our client. This means that if we don't think an investment is appropriate we will not do it.

For each significant investment strategy or method of analysis it returns to the basics. We do an investment policy questionnaire, we discuss appropriate balance, and risk. We look at the life cycle of our clients. We decide what risk we will accept for them and try to adjust expectations. We do not trade frequently and we do not increase brokerage fees as a result.

There is no particular security we recommend. We explain that there are material risks involved in any investing. If we were to use an alternative strategy we would explain the increased risk and judge whether or not it was appropriate and if it was, we would discuss those risks in detail with our clients.

Raymond James & Associates, Inc. provides a constant flow of information as well as conferences and meetings. We are also consistently provided with research, data and information from companies themselves. We have access to all analysts and all of Raymond James's top staff. Ms. Law, Ms. Henderson, Ms. Heft, and Mr. Ruch are all graduates of the Institute for Investment Management Consulting which is an ongoing course with graduation conferred by Raymond James & Associates, Inc. after rigorous study that teaches the computation of ratios (R2, Sharpe, Beta, Alpha and Information ratios and how to apply them to investment theory).

## **6. EDUCATION AND BUSINESS STANDARDS AND BACKGROUND**

### **Sally E. Law**

1943

*Chairman of the Board, Chief Executive Officer, Treasurer of Law & Associates, Inc. and The Mohican Company*



Columbia College, Columbia, MO AA, 1963  
 University of Missouri Outstanding Journalism Scholar 1963  
 University of Central Missouri, Warrensburg, MO 1964  
 Albright College, Reading, PA, 1965  
 College for Financial Planning, 1974  
 Institute for Investment Management Consulting, 2007-2009

Ms. Law has been licensed to sell securities and insurance since 1973. Ms. Law holds Series 7, 8, 63, and 65 licenses with the FINRA and has been with Raymond James Financial Services since 1980. Ms. Law is also fully licensed for health, life, variable annuities, long-term care, and disability insurance.

Ms. Law has never had a complaint or a legal or disciplinary event or been subject to any arbitration. You may check this at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Janice Lynne Henderson**

1963

*President and Chief Compliance Officer of Law & Associates, Inc.*

Columbia Union College, MD, BS in Business Administration, 1986  
 College for Financial Planning, CFP®, 1994  
 Institute for Investment Management Consulting 2007-2009

Ms. Henderson has been with Law & Associates, Inc. since November 1994. Since 1995 she has carried Series 7, 24, & 63 licenses with FINRA and Raymond James Financial Services, Inc. and is licensed to sell life, health, disability, long term care, and variable annuities. Ms. Henderson is responsible for branch office administration and compliance oversight as well as financial planning and tax planning.

Ms. Henderson has never had a complaint or a legal or disciplinary event or been subject to any arbitration. You may check this at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Barbara Diane Heft**

1951

*Financial Planning Assistant and Tax Advisor*

Albers School of Business and Economics, MBA, Seattle University, 1998  
 University of Washington, BA Sociology, 1977  
 Certified Management Accountant, 1997  
 Board of Certified Financial Planners, CFP®, 2007  
 Institute for Investment Management Consulting, 2008-2011  
 Certified Retirement Counselor, 2008  
 Certified Divorce Financial Analyst, CDFA®, 2011

Ms. Heft has been with Law & Associates, Inc. since September 2005. Ms. Heft has been fully licensed for securities since 2001. Ms. Heft is a Registered Representative and since 2005, she has carried Series 7, 65, and 66 licenses with FINRA and Raymond James Financial Services, Inc. (RJFS) and is licensed to sell life, health, long-term care and disability insurance as well as variable annuities. Ms. Heft is responsible for assisting with financial planning and tax planning with clients.

Ms. Heft has never had a complaint or a legal or disciplinary event or been subject to any arbitration. You may check this at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Ms. Helene Brown**

1972

*Client Services Associate and Financial Planning Candidate*

Institute of Technology in Paris, France, "Diplome Universitaire de Technologie (degree in marketing)  
1993

Morris Brown College, 1993-1994 Atlanta, GA

Board of Certified Financial Planners, 2011-2012

Ms. Brown is a naturalized American Citizen and was born in Paris, France. Ms. Brown began working for Law & Associates, Inc. in 2011. She is currently a *candidate* for her CFP and expects to receive her designation in mid-2012. She is Series 7, and 66 licensed, and is licensed for life, health, long-term care, and disability insurance as well as variable annuities.

Ms. Brown is currently training in all aspects of client work, and is handling all trades, transactions and client responsibilities. She will begin her apprenticeship in financial planning upon completion of her CFP designation.

Ms. Brown has never had a complaint or a legal or disciplinary event or been subject to any arbitration. You may check this at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**7. DISCIPLINARY INFORMATION**

Law & Associates, Inc. has not been the subject of any customer complaints, arbitrations, civil lawsuits, or disciplinary proceedings by the SEC or any state securities division or agency.

**8. OTHER FINANCIAL INDUSTRY ACTIVITY AND AFFILIATIONS**

With only clerical staff exception all other employees at Law & Associates, Inc. are registered persons. We have no plan to register beyond our current scope of registrations. Our relationship to our broker-dealer is material to our business in our current structure. There are no other arrangements material to this advisory business. We do not select or recommend other advisors for our clients; nor do we receive

directly or indirectly compensation from any other adviser or advisory firms. We also do not maintain business relationships or engage in financial industry activities and affiliations that can create conflicts of interest with our clients or impair our objectivity and investment advice.

#### **9. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We adhere to our Code of Ethics. This code is given to each employee here who signs off on it. There are no buys or sells for client accounts that would affect a client's account. Our Code of Ethics provides generally, and in part:

That we are dedicated to providing proper and ethical advice to our advisory clients; that the interests of our clients are always placed in front of our own; that we strive to avoid any circumstances that could adversely affect our duty of complete loyalty to our clients as the interests of our clients are paramount, though we conduct ourselves in a way as to avoid any conflict between the interest of our clients and the personal interest of any of our investment advisor representatives.

That we maintain a strict adherence to the anti-fraud laws, statutes, regulations, and policies; that we adhere to the highest moral standards of conduct in our business affairs; and that we shall always act in a manner consistent with the obligation to deal fairly with all clients when taking investment action through the Raymond James side of our relationship.

Personal securities transactions by our investment adviser representatives in the same investments recommended to our clients are encouraged as we believe that we generally should not recommend investments to our clients which we would not personally own. Internal controls, including our Code of Ethics, prevent the firm and its staff from buying or selling securities contemporaneously with client transactions.

#### **10. BROKERAGE PRACTICES AND RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Investment adviser representatives of Law & Associates, Inc. are registered as stockbrokers with Raymond James. Law & Associates, Inc. has utilized the brokerage services of Raymond James for 31 - years. Client accounts are frequently established at Raymond James but clients have the right to place their accounts at other broker-dealers. We frequently use Raymond James' approved portfolio managers for our clients, but we have the ability and authority to recommend fund managers outside of Raymond James. Law & Associates exercises its own discretion in deciding which investment funds and portfolio managers to recommend to our clients. We do not always follow the recommendations of Raymond James. We have the authority to recommend the replacement of any of the portfolio managers for our clients. We are responsible for devising the asset allocations for our clients, selecting the portfolios and managers to implement the allocations, devising client programs for deposits and withdrawals, seeing that all of the foregoing is implemented, supervising the performance of the accounts, advising the clients about the account values, and making recommendations to re-allocate

assets and to change managers when appropriate. Law & Associates, Inc. receives research and analysis reports from Raymond James, but we also receive research and analysis reports from other third-party sources. Other than the benefits from having a long-standing relationship with Raymond James, Law & Associates, Inc. does not receive special perks or benefits from Raymond James. Law & Associates, Inc. does not receive research or services from Raymond James in exchange for securities transactions.

#### **11. DIRECTED BROKERAGE**

As discussed in this ADV2, client accounts are frequently established at Raymond James but clients have the right to place their accounts at other broker-dealers. Investment adviser representatives of Law & Associates, Inc. are unable to handle securities transactions for our clients at other broker-dealers, but we may provide investment advice which clients may execute at other broker-dealers. Law & Associates, Inc. believes that Raymond James provides valuable brokerage services and portfolio managers for our clients. Law & Associates, Inc. has considered the best execution policies and practices of Raymond James and has found them to be reasonable and appropriate for the client accounts which we have helped to establish at this broker-dealer. We have found Raymond James to be a superior organization that treats our clients fairly. Law & Associates, Inc. has the right to discontinue its relationship with Raymond James should we ever decide that that the broker-dealer firm does not serve the best interests and needs of our clients. In that event, the investment advisers of Law & Associates, Inc. would become registered representatives of another broker-dealer firm and, as appropriate, client accounts could be established at the new broker-dealer firm. Law & Associates, Inc. also reserves the right to discontinue the use of a broker-dealer firm and operate only under its Registered Investment Advisor registration.

#### **12. REVIEW OF ACCOUNTS**

Client accounts are reviewed regularly by the investment adviser representatives as we monitor the performance of our client accounts, including the performance of investment funds or portfolio managers, and transactions specific as to each of our client accounts. We review client accounts routinely when we confer with clients by phone or e-mail. Distributions, withdrawals and deposits trigger account reviews and the updating of account records by our administrative staff and, as appropriate, any of the investment adviser representatives. We also review client accounts as market conditions change, or in response to changes in the investment funds or other portfolio managers recommended by us. Other factors that generate account reviews include changes in our clients' investment objectives, financial situation, income, and needs which may cause us to change our investment recommendations. We review client accounts during in-person meetings, which usually occur at least once a year, sometimes two times (or more if a client requests) and we review accounts again at year-end when annual reports are generated for each client. During scheduled meetings, we typically review our clients' investment objectives, tax consequences, current and future needs, anticipated life cycle changes, portfolio performance, and specific investments – making recommendations as deemed appropriate. Balance sheets, cash flow, tax projection forms, and descriptive graphs are useful tools prepared for our clients. Janice L. McDermott, Sally E. Law and

Barbara D. Heft supervise the overall review of our clients' asset allocations, investment objectives, financial situation, needs, and the performance of investments recommended by us.

We prepare a year-end annual report for each of our clients. Clients receive a written status report of their investments whenever an in-person meeting is scheduled. On average, we meet with clients between one and two times each year. Clients who request delivery of a report on a regular basis, or intermittently, are provided a report of their accounts. Clients who have investment funds or portfolio managed accounts carried with Raymond James, receive at least a quarterly brokerage account statement from Raymond James that states the cash balance, securities held, market value, account activity for the period, and unrealized gains or losses of securities held, among other information. Clients also receive trade confirmations and monthly statements for months in which activity has occurred in their accounts. Clients may arrange to access their investment accounts at any time through Raymond James' website or a portico through our website.

While it is not possible to demand that all clients come in every year it is encouraged. We make every effort to review all clients' financial plans and accounts in front of them every year. Registered Principals and/or Certified Financial Planners handle the review.

In addition to the annual reviews, we continuously monitor our clients' investments and returns on investment with a view of ensuring that our financial plans continue to meet the financial objectives of our clients.

### **13. CLIENT REFERRALS AND OTHER COMPENSATION**

No one receives an economic benefit for providing investment advice or other advisory services to our client. There are no sales awards, or any prizes. No one is compensated for client referrals.

### **14. CUSTODY**

We do not have custody of client funds. The broker-dealer sends monthly statements by mail or provides an on-line service. Clients are told to review their statements. Clients receive statements from us detailing year-end and interim meetings during the year. They would conform only to the year-end Raymond James statement since our other statements are prepared at the meeting date and not end-of-month. We would certainly urge them to compare which is the purpose of the review with us.

### **15. INVESTMENT DISCRETION**

We do not accept discretionary authority over client accounts at this time.

**16. VOTING CLIENT SECURITIES**

We never accept the responsibility of voting or advising on client securities. It may be that we own the same security. Clients receive their own proxy's and vote their own vote. There has never been a conflict of interest.

**17. FINANCIAL INFORMATION**

We have an annual system and clients are billed in advance for fees. Otherwise a fee is quoted for planning work to be completed and it is not six months in advance. This question does not apply to us.

**18. WRAP FEE PROGRAMS**

At Law & Associates, Inc. there are no brokerage arrangements. The staff of Law & Associates, Inc. may be separately licensed as Registered Representatives through Raymond James & Associates, Inc. and as such will place brokerage business with that broker-dealer. Law & Associates, Inc. is independent of Raymond James, and does not wrap accounts with Raymond James for the purpose of charging a single fee. Fees charged by Law & Associates, Inc. for advisory work are separate. They are discussed separately, billed separately and filed separately. Registered representatives of Raymond James & Associates, Inc. are compensated separately. These fees are separately discussed, paid to Raymond James, and files are separately maintained.

We sometimes recommend portfolio managers sponsored by Raymond James, and sometimes recommend portfolio managers who are independent of Raymond James. Either of these portfolio managers may have a wrap fee program under which they may charge fees based upon a combination of assets under management and commissions for transactions. In deciding whether to use a wrap fee portfolio manager for clients, we closely consider our clients' planning requirements, their balance sheet, their investment policy questionnaire, their cash flow needs, their tax situation, and their position in the life cycle. We also consider whether mutual funds, individual stocks, or a combination of each will benefit our clients more.

In selecting portfolio managers for our clients, we undertake a variety of due diligence for the benefit of our clients. We often conduct third party reviews, meet with managers, look at performance information, assess or verify the accuracy of information, evaluate the management costs, and evaluate the overall goals, objectives and history of the portfolio managers. Our due diligence does not end there. We continue to monitor and assess the performance of the portfolio managers selected for our clients to ensure that they are meeting the investment objectives and financial needs of our clients.