

## **Part 2A of Form ADV: *Firm Brochure***

### **Private Clients**

#### **Hartland & Co.**

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Updated as of 03/31/2012

This brochure provides information about the qualifications and business practices of Hartland & Co.. If you have any questions about the contents of this brochure, please contact us at 216-621-1090 or [sfwolken@hartlandco.com](mailto:sfwolken@hartlandco.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 Hartland & Co. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 105674.

## ***Item 2     Material Changes***

Effective 10/1/2011, Hartland & Co. (Hartland) acquired Chess Financial Corporation (Chess), as a wholly-owned subsidiary. Effective 3/30/2012, Chess was de-registered as an SEC registered investment advisor. Hartland is the surviving SEC registration.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### ***Item 4     Advisory Business***

Hartland & Co. is a SEC-registered investment adviser with its principal place of business located in Cleveland, Ohio. [SEC registration does not imply a certain level of skill or training.]

The company is an independent investment advisory firm founded in 1989. Hartland & Co. is owned and managed by its professionals and board of directors. Thomas J. Hartland, the firm's Chief Executive Officer, is a principal shareholder controlling more than 25% of the company.

Hartland & Co. is structurally and philosophically independent; makes every effort to be free from conflicts of interest and is dedicated to serving client interests with the highest standards of professional conduct. Hartland & Co. believes this independence is central to providing objective and high quality advice to its clients. To back up its commitment to independence, the firm has adopted a Conflict of Interest Policy and requires its professionals to comply with the CFA Institute Standards of Professional Conduct and has attained certification by the Centre for Fiduciary Excellence (CEFEX).

Hartland & Co. has worked successfully for many years with diverse clients, providing advice on investment policy, asset allocation, manager selection and other related financial issues. Its consultants have deep professional and personal experience in institutional consulting, investment research and wealth management. The firm's board of directors is comprised of accomplished individuals in a number of professions, including private equity, banking, law, marketing and finance.

Hartland & Co. serves its institutional clients with a proprietary reporting system that ensures timely and accurate information. The firm's membership in the Independent Consultants Cooperative (ICC) helps provide robust portfolio analysis and peer group benchmarking for Hartland & Co. clients. Hartland & Co. believes that the disciplines it has developed for the institutional marketplace - portfolio analytics, manager research, aggregation of information and clear reporting - are applicable and valuable to families and individuals as well.

#### ***Services Provided***

This Part 2A of Form ADV describes services provided to private clients primarily. A separate Part 2A of Form ADV describes services provided to institutional clients.

The advisory services that Hartland & Co. offers to our private clients (families, individuals and estates) may include all or some of the following services: investment management, financial consulting, tax planning and compliance, and family office administration. Our services are tailored to the unique needs and desires of our clients. Hartland has specialists in each of the services that we offer.

#### **INVESTMENT MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We work with each client to establish targeted ranges among asset classes based on the client profile. We aggregate each client's investment accounts and assets (marketable and non-marketable) into a comprehensive asset allocation. Hartland prefers to manage all or a majority of a client's assets, but we are also comfortable complimenting accounts or investments managed by others.

We manage these advisory accounts on a discretionary or non-discretionary basis, per each client's advisory agreement. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally utilize institutional class mutual funds, exchange-traded funds (ETFs), separately managed accounts and alternative investments, such as hedge-funds and private equity, where appropriate.

Because some types of investments involve certain additional degrees of risk, they will only be implemented or recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Hartland performs disciplined rebalancing to maintain a portfolio's risk profile, respond to market dynamics and changing client circumstances.

## **FINANCIAL CONSULTING**

Financial consulting is the ongoing management of an individual's financial resources. We work with our clients to build a comprehensive plan that is consistent with an individual's resources, needs, and goals. As the "quarterback" of the financial planning process, we act as a facilitator to help individuals explore options, evaluate the advantages and disadvantages, and make an informed decision that is fully integrated with their plan. Our services include gathering client data to define the client's goals, needs and priorities; constructing personal financial statements (e.g., net worth); analyzing and evaluating client's financial status (cash flow, estate plan, insurance coverage, long-term projection); identifying appropriate techniques for achieving client objectives; coordinating internal and external resources to implement financial planning recommendations; monitoring objectives and changes in circumstances

## **TAX PLANNING AND COMPLIANCE**

The tax process is a core service to our clients and helps clients minimize tax expense. We project taxable income to assure that all tax saving opportunities are captured. In addition, we focus on translating "tax talk" into simple understandable language. In this way, we are able to provide the best tax planning approach for each client we serve. Our services include tax compliance filings; quarterly tax analysis; tax planning; review of tax law changes and updates; tax notices and audits

## **FAMILY OFFICE ADMINISTRATION**

Our Family Office Administration offers sophisticated financial management and a broad menu of high-touch services to the affluent markets. The level of attention offered to families through such services as intergenerational counseling or development of family mission statements has become the hallmark of our Family Office Administration services. Our services include family legacy preservation (i.e., preserving the family business or family wealth from generation to generation); soft services (e.g., bookkeeping, bill paying, family governance and succession planning); entity administration (e.g.,

partnership accounting; trust management; foundation management); tax compliance (e.g., preparation and planning for trusts, partnerships, foundations and corporate tax returns)

## OTHER

Hartland & Co. does not provide brokerage or custodial services, nor is it affiliated with any brokerage firm, accounting firm, bank or third-party provider of investment-related services. Hartland & Co. does not receive fees of any kind from any vendor or third party; only from client fees.

## AMOUNT OF ASSETS UNDER ADVISEMENT

As of 12/31/2011, total institutional and private client assets under advisement were approximately \$11.5 billion. Total private client assets managed on a discretionary and non-discretionary basis were \$571,139,907 and \$543,038,120, respectively.

### ***Item 5 Fees and Compensation***

Our client's annual fees are calculated using various methods. Some fees are based upon a percentage of assets under management, generally ranging from 0.50% to 1.00%, while some clients negotiate a fixed retainer. Fees are based on the individual circumstances of the client and negotiated based on the nature of the services requested. Hartland will generally not enter into a comprehensive agreement in an amount less than \$20,000 per year, although Hartland may accept lesser amounts at its discretion.

Fees are calculated and billed quarterly in advance at the beginning of each calendar quarter. A client may elect to have the firm's fees withdrawn directly from the client's account.

From time to time Hartland & Co. will have a retainer-based or project-based fee with a client. These rates are set by the size, scope and complexity of the relationship. However, in all cases, Hartland & Co.'s only source of revenue are the fees paid by clients.

When calculating a retainer-based fee the process begins by meeting with prospective clients to review their financial data and identify the types of services that they would benefit from. We enter the client's various data variables into a billing matrix to determine a proposed fee. Examples of the variables that determine the fee for each department are as follows:

Investment Management: scope of relationship, service level (number of client meetings per year), complexity of assets, types of assets, types of accounts, amount of Hartland managed assets versus non-Hartland managed assets

Financial Consulting: scope of relationship, service level (number of client meetings per year), complexity of estate, financial planning objectives

Tax Planning and Compliance: scope of relationship, service level (number of client meetings per year), types of tax returns, complexity of returns, number of tax payment estimates

Family Office Administration: scope of relationship, service level (number of client meetings per year), types of tax returns, complexity of returns, number of tax payment estimates, reporting responsibilities, other unique client services

The proposed fee is usually comprehensive as we believe that clients that utilize all of our services will have the greatest benefit. Before finalizing the fee we meet with the potential client to discuss the proposed services and fees for each department and negotiate the final fee.

***Limited Negotiability of Advisory Fees:*** Although Hartland & Co. has established the aforementioned fees, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client. All fees are agreed upon prior to entering into a contract with any client.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice.

***Mutual Fund Fees:*** All fees paid to Hartland & Co. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Separately Managed Account Fees and Wrap Fee Programs:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***ERISA Accounts:*** Hartland & Co. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the

Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Hartland & Co.'s only source of fees is from client retainers. Hartland & Co. does not receive fees of any kind from any vendor or third party.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Hartland & Co. does not charge performance-based fees.

### ***Item 7 Types of Clients***

Hartland & Co. provides advisory services to the following types of clients:

- Corporate and Public Employee retirement funds (Pension and Savings plans)
- Endowments and Foundations
- Operating funds for healthcare organizations
- Private clients (families, individuals and related entities)

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

#### ***Investment Philosophy***

Our investment philosophy sets forth what we believe to be true to every client.

Hartland & Co. seeks to meet its clients' investment objectives in real terms - after inflation and fees - with emphasis on assessing and controlling risk. Once this has been achieved, we seek superior returns relative to client-specific and market-based benchmarks.

We believe broad diversification reduces portfolio volatility and enhances the opportunity for superior risk-adjusted returns. Broad diversification comes from allocating investments among various asset classes - fixed income, equity and alternative - and is a larger determinant of expected returns than individual security selection. Asset allocation can be enhanced by the prudent use of passive and the skillful use of active strategies of marketable and alternative assets.

We believe integrating the investment process with client priorities - time horizon, spending needs, legal constraints, beliefs and culture - is essential to achieving optimal returns.

Hartland & Co. is an independent firm and objective in its process to select strategies for marketable and alternative assets. The firm has never has, does not and will not share compensation with any investment manager or third party of any kind; complete independence being central to our effectiveness.



## ***Methods of Analysis***

Hartland manages client investment assets in a comprehensive discretionary and non-discretionary manner, per the client's advisory agreement. We do this by building a customized asset allocation for each client that typically encompasses all of the client's investable assets (i.e., Hartland-managed, advised, and reporting only).

Our investment management process begins by developing a profile of the client's unique circumstances (e.g., risk profile, investment objectives, special considerations, cash flow, financial plan, etc...) and documents them in an investment policy statement. Based on our understanding of the client's profile we work with the client to establish targeted ranges among assets classes (e.g., cash, fixed income, domestic equity, international equity, and alternatives). Finally we reevaluate and confirm the appropriateness of the strategic ranges on a regular basis.

Portfolio construction for client's accounts that Hartland manages, consist of core passive (e.g., index funds) strategies that provide broad market exposure at a low cost and actively-managed satellite strategies with a history of delivering attractive risk-adjusted returns. At a client's request, Hartland will also advise on non-Hartland managed accounts and investments to ensure that they are aligned with the client's overall investment objectives and asset allocation ranges, as discussed above.

The Hartland private client side of the business utilizes the Hartland research staff and Investment Review Committee to review macro and micro-economic themes and the appropriateness of the investments (primarily mutual funds and ETFs) on our Approved Funds List. The manager selection criteria that determines inclusion of particular mutual funds on our Approved Funds List, discussed below in the section titled "Investment Manager and Mutual Fund Research."

Hartland does not generally recommend the purchase of individual securities in client accounts. Hartland does, however, pay directly for third-party research on individual stocks for monitoring and providing recommendations regarding legacy individual stock and bond holdings in client's accounts, especially when these securities have a low-cost basis or are restricted in nature. Furthermore, when a client directs us to hold individual stocks we have developed a recommended model to facilitate the monitoring process. As it relates to alternative investments, Hartland private clients are able to leverage the resources of our firm and institutional clients. This gives us the ability to recommend the purchase of alternative investments (e.g., private equity, hedge funds, etc.) to our clients that have the wherewithal and interest. Also, due to the high net-worth profile of our clients it is common that they will already have alternatives investments in their portfolios and bring new opportunities to our attention. In this case, our role is typically to review the merits of the investment and discussing its appropriate allocation as it relates to the client's overall portfolio.

Hartland's private client Approved Funds List is comprised primarily of open-end mutual funds and ETFs, all of which we refer to as 'funds.' Many factors can affect the performance of the funds. The fund's share prices can change daily based on changes in market conditions and interest rates and in response to other economic, political, or financial developments. The fund's reaction to these developments will be affected by the types of securities in which the funds invest, the financial condition, industry and economic sector, and geographic location of an issuer, and the fund's level of investment in the underlying securities.

We review with all clients that all investments involve risks, and there can be no guarantee against loss resulting from an investment in any of the securities on our Approved Funds List, nor can there be any assurance that our client's investment objective(s) will be attained.

### ***Additional Investment Strategies***

In some cases we may recommend the following strategies to our clients:

***Option writing.*** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

### ***Investment Manager and Mutual Fund Research***

Hartland & Co. continuously researches investment managers in a broad array of investment categories. Over the years the firm has analyzed hundreds of investment management organizations for billions of dollars in client assets. We scrutinize the size of investment management organizations, as well as the nature of institutions that have retained them. We typically do not want a client to represent more than 10% of their total assets under a single investment strategy.

We analyze ownership structure, experience and expertise of investment decision-makers and obtain an understanding of their investment philosophy and methodology. We consider turnover and compensation of investment decision-makers. We believe a well-incented and stable investment decision-making team is best suited for delivering consistent quality performance and client service.

Once prospective firms have passed the first two stages of analysis, we look at performance of investment products. We are interested in identifying products that produce consistent performance records over time. We analyze returns data over multiple time periods net-of-fees and with different ending dates to eliminate "end-point bias."

Returns-based style analysis is conducted on each investment product. Style analysis assists us in determining consistency for each product and allows us to evaluate the impact the product might have on the existing client portfolio. During this step in the process, we also conduct correlation

analyses to determine if a product adds diversification benefits.

The Hartland & Co. research group provides ongoing due-diligence for over 300 investment managers each year. In addition, our Consultants frequently communicate with investment managers directly. We believe this serves our clients well, as Consultants are current on manager searches.

Below are characteristics analyzed while evaluating investment management firms:

#### **Organizational Attributes**

- Employee ownership
- Specialized in asset class or style
- Strong leadership
- Depth and experience
- Sound business plan
- Competitive compensation program
- Appropriate size
- No pending legal issues or judgments

#### **Statistical Attributes**

- Consistency of performance
- Information ratio
- Alpha
- Excess returns
- Volatility
- Peer group evaluation
- Attribution analysis
- Correlation with existing managers

#### **Portfolio Attributes**

- Stock-selection process
- Risk-controls Reasonably
- Diversified
- Consistently applied set of metrics or factors

#### **Investment Methodology Attributes**

- Consistent
- Clearly articulated
- Soundness of process
- Well-defined models
- Tested in “real world”

#### **Main Sources of Information**

Sources of information include database information on investment management organizations, investment vehicles and individual securities. Hartland & Co. has developed a proprietary investment manager tracking database using SQL and Visual Basic. Qualitative and quantitative information on investment managers comes from Hartland & Co. research analysts. Content is also provided from outside data providers. The external data providers include Morningstar, eVestment Alliance, and Bloomberg.

In addition, Hartland & Co. is a member of The Independent Consultants Cooperative (ICC). The ICC is a group of prominent independent investment advisors that share information anonymously. ICC membership provides Hartland & Co. with a large database that can be used to analyze and compare

portfolios with peer institutions.

### ***Item 9 Disciplinary Information***

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

As of 10/1/2011, Hartland acquired Chess, as a wholly-owned subsidiary. Since the merger, we have combined the Hartland and Chess private client operations with the intent of leveraging the investment rigor of Hartland with the comprehensive financial and tax planning capabilities of Chess. Effective 3/30/2012, Chess was de-registered as an SEC registered investment advisor. Hartland is the surviving SEC registration.

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Hartland & Co. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the all employees.

Hartland & Co.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Before an employee purchases an individual stock or bond, pre-clearance must be attained from the Chief Compliance Officer ("CCO"). The CCO maintains a restricted securities list to ensure that employees do not purchase a security where our clients would have inside information. If an employee would like to purchase a "restricted" security, Hartland only permits such purchases during the "open window" period. In any case, where an individual feels that there may be an actual or perceived breach of these policies, he/she is required to review the situation with the CCO immediately.

A copy of our Code of Ethics is available to our clients and prospective clients. You may request a copy by email sent to [sfwolken@hartlandco.com](mailto:sfwolken@hartlandco.com), or by calling us at 216-621-1090.

## ***Item 12 Brokerage Practices***

Hartland & Co. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Hartland & Co. requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, Hartland & Co. does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate.

Hartland & Co. is an independent firm and is not affiliated with any brokerage firm or financial institution. From time to time Hartland & Co. will recommend brokerage firms to clients to provide brokerage and custody services, but any such recommendation is made on the basis of cost and quality of services provided. Under no circumstances is Hartland & Co. compensated in any manner for such recommendations.

## ***Item 13 Review of Accounts***

As stated under Item 4, the advisory services that Hartland & Co. offers to our private clients (families, individuals and estates) may include all or some of the following services: investment management, financial consulting, tax planning and compliance, and family office administration.

### Investment Management:

A client's investment accounts are reviewed by Hartland personnel on at least a quarterly basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. A client's portfolio is also reviewed in anticipation of substantial contributions or withdrawals, or in response to a client's changing circumstances. Meetings where the client's objectives, risk tolerance and asset allocation are reviewed in depth may occur quarterly, semi-annually or annually depending on the scope of our relationship and services with the client.

Client's portfolios are reviewed by one of the following Managing Directors:

- Carl J. Tippet, CFA, Sr. Managing Director
- Satricia A. Rice, JD, CFA, CIMA, Sr. Managing Director
- Gregory P. Althans, CPA/PFS, CFP, Sr. Managing Director
- John Marino, CFP, CPA, CLU, Sr. Managing Director
- Michael S. Dearden, ATP, Sr. Managing Director

Clients are sent periodic investment reports directly from the custodians. In addition, Hartland's investment clients receive quarterly, semi-annual or annual consolidated investment reports. These reports include a listing of the clients' holdings, market value, cost basis, and income data. Various other investment reports are produced on an as-needed or as-requested basis. A monthly newsletter is also sent to our clients.

### Financial Consulting:

Hartland produces a net worth report and meets with the client to discuss on an annual basis.

Hartland updates the client's net worth report by requesting the current financial information and living expenses from the client. In conjunction with the net worth report, Hartland utilizes internal checklists to determine if the client's financial statement warrants further review. If further review is necessary, Hartland creates a long-term cash flow by extrapolating the client's living expenses over a 20 year period to assess financial strength. We also utilize internal checklists during the net worth process to identify red flags or life changing events that would trigger a review of the client's current estate plan.

#### Tax Planning and Compliance:

Hartland completes periodic tax projections depending on the terms of the engagement letter and or complexity of the client's tax situation. Hartland completes the client's tax return on an annual basis. In addition, Hartland responds to notices and audits as necessary.

#### Family Office Administration:

The primary function of the family office administration department is tax planning and compliance of client's entities and trusts. In addition, we provide bookkeeping services and maintenance of financial statements (e.g., balance sheets and profit and loss statements) for client's entities and trusts.

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

It is Hartland & Co.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Hartland & Co.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### ***Item 15 Custody***

Hartland is not a qualified custodian and does not maintain custody of client funds and securities. However, Hartland is deemed to have custody of its private client's accounts due to its ability to directly access client accounts to execute trades, approved by clients, and to access account information necessary to facilitate its comprehensive wealth management and other services offered to clients. In order to satisfy the SEC custody rule we submit ourselves to an annual surprise asset verification examination by an independent public accounting firm.

Clients are sent account statements on a quarterly or on a more frequent basis directly from their custodians. In addition, investment clients of Hartland receive quarterly, semi-annual or annual consolidated investment reports, depending on a client's service agreement. We encourage clients to carefully review and compare both sets of statements.

### ***Item 16 Investment Discretion***

Clients may hire us to provide discretionary or non-discretionary asset management services.

Discretionary asset management means that we can place trades in a private client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or

- determine the amount of the security to buy or sell

Private clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Non-discretionary asset management means that Hartland provides investment recommendations for a client's portfolio, but Hartland will not execute any trades in the client's account without the client's consent.

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

Hartland, as a matter of policy, does not vote client securities (i.e., proxies). Clients receive their proxies or other solicitations directly from their custodian or a transfer agent; however, clients can contact Hartland with questions about a particular proxy matter.

For clients interested in Hartland coordinating their proxy voting, we utilize Institutional Shareholder Services (ISS), a wholly owned subsidiary of MSCI and a leading provider of corporate governance solutions to the global financial community. This service allows Hartland to control their voting policy and final vote decisions while outsourcing the processing and management to ISS. ISS receives clients' proxy ballots, works with custodian banks and brokerages, executes votes on clients' behalf and maintains comprehensive voting records.

### ***Item 18 Financial Information***

As an advisory firm that maintains discretionary authority for private client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Hartland & Co. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Hartland & Co. has not been the subject of a bankruptcy petition at any time during the past ten years.