



# THE MILESTONE GROUP

*Wealth Through Discipline®*

## Part 2A of Form ADV Brochure

370 Seventeenth Street, Suite 3100  
Denver, CO 80202  
303-539-0100  
[www.themilestonegroup.com](http://www.themilestonegroup.com)

September 1, 2012

This brochure provides information about the qualifications and business practices of The Milestone Group, Inc. If you have any questions about the contents of this brochure, please contact us at 303-539-0100. 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.

**(2) Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV,” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated September 1, 2012, is an updated document, based on The Milestone Group’s last Brochure dated February 8, 2012, prepared according to the SEC’s new requirements and rules.

This Item 2 discusses only specific material changes that have been made to the Brochure and provides clients with a summary of such changes.

Item 4 has been updated to include information pertaining to the recent acquisition of The Milestone Group by BOK Financial Corporation. The firm’s assets under management have also been updated.

Item 10 has been updated to include information about The Milestone Group’s affiliations through its parent, BOK Financial Corporation.

### (3) Table of Contents

(4) Advisory Business .....	3
Advisory Firm Description.....	3
Advisory Firm Services.....	3
Client Customizations and Restrictions .....	4
Wrap Fee Programs .....	4
Assets Under Management.....	4
(5) Fees and Compensation .....	4
Fee Deductions .....	5
Other Fees .....	5
Timing of Fees and Obtaining Fee Refunds.....	6
Additional Compensation.....	6
(6) Performance Based Fees and Side-by-Side Management .....	6
(7) Types of Clients.....	6
(8) Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Methods of Analysis and Risks .....	7
Investment Strategies and Risks.....	7
Primary Investment Vehicles and Risks.....	7
(9) Disciplinary Information .....	8
(10) Other Financial Industry Activities and Affiliations .....	8
(11) Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	9
Potential Conflict of Interest – Investing in Same Securities.....	9
Potential Conflict of Interest – Recommending Same Securities .....	9
Potential Conflict of Interest – Trade Error Policy .....	10
(12) Brokerage Practices .....	10
Selecting Broker-Dealers .....	10
Research and Other Soft Dollar Benefits .....	11
Directed Brokerage .....	11
(13) Review of Accounts.....	12
Discretionary Account Review Frequency .....	12
Non-Discretionary Account Review Frequency .....	12
Reporting Frequency .....	12
(14) Client Referrals and Other Compensation.....	12
Referral Sources .....	12
(15) Custody .....	13
(16) Investment Discretion.....	13
(17) Voting Client Securities.....	13
(18) Financial Information .....	13
(19) Requirements for State Registered Advisers .....	13

#### **(4) Advisory Business**

##### ***Advisory Firm Description***

The Milestone Group (Milestone), a Colorado corporation, offers investment management services, investment supervisory services, and financial planning services. Milestone primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, and other legal entities. Milestone was founded in 1996 by its managing directors, Eric T. Koeplin and Robert T. Adams. In August 2012, Milestone was acquired by BOK Financial Corporation, a financial holding company based in Tulsa, Oklahoma.

##### ***Advisory Firm Services***

Milestone's investment management and supervisory services generally include recommendations regarding cash, money market instruments, mutual funds, debt instruments, equity securities, and public or private partnerships. Milestone considers your unique financial objectives and circumstances when making investment recommendations. Milestone offers financial planning on a fee-only basis. Milestone is not affiliated with any of the securities or products recommended to you or other Milestone clients. Milestone utilizes a financial planning process that may include all or part of the following, depending on your situation:

- 1) Discuss and review your financial profile, risk tolerance, goals and objectives.
- 2) Analysis of your current and projected future financial position relative to your risk tolerance and goals and objectives.
- 3) Interactive and proactive discussions with you regarding Milestone's analysis described in step 2 above.
- 4) Discussions of alternatives for implementing recommendations based on your feedback.
- 5) Depending on the agreed upon service level, Milestone will periodically repeat steps 1 through 3 above.

In addition to investment advisory services, Milestone offers advice in the following areas under separate agreements:

- Financial security and retirement planning
- Investment advice for illiquid investments
- Tax planning
- Estate planning
- Cash management
- Debt management
- Employee benefits

These services are generally provided under a *Financial Planning and Consulting Agreement* with Milestone. This agreement sets forth the terms and conditions of the engagement and describes the scope of the services to be provided. In the event you terminate Milestone's financial planning and/or consultation services the balance of any prepaid fee will be refunded to you.

In performing its services Milestone relies on information provided by you or your professional representatives. If requested, Milestone will recommend the services of other professionals for implementation of certain aspects of your financial plan. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions. It is your responsibility to promptly notify Milestone if there is any

material change in your financial situation or investment objectives. Such changes may prompt Milestone to review, evaluate, and/or revise previous recommendations and/or services.

### ***Client Customizations and Restrictions***

Milestone typically provides a customized investment advisory service after conducting an analysis of your personal situation. If agreed upon, Milestone may also provide certain financial planning services to you. You may elect to implement specific investment restrictions consistent with your personal preferences.

### ***Wrap Fee Programs***

Milestone does not participate in any wrap fee programs.

### ***Assets Under Management***

As of August 31, 2012, Milestone managed approximately \$1.3 billion in assets on a discretionary basis.

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

Investment management services are available on a discretionary or non-discretionary basis. Milestone generally calculates its investment management fees as a percentage of total assets under management including cash and accrued income. Clients' assets are held and valued by an independent, third party custodian. Ongoing account management fees are calculated as follows:

### **Standard Investment Management Fee Schedule**

- 1.00% per annum for the first \$2 million
- 0.75% per annum for the next \$3 million
- 0.67% per annum for the next \$20 million
- 0.50% per annum for the next \$75 million
- 0.25% per annum for amounts over \$100 million

Milestone generally requires clients have a minimum of \$2 million in liquid assets managed by Milestone to start or maintain an account. Under certain circumstances, Milestone may accept new investment management relationships below its minimum criteria. Milestone fees are generally non-negotiable.

### **Financial Planning Services**

Financial planning and investment consulting fees are based on the nature and level of services required. Mutually agreed upon fees may be fixed or hourly, and are generally based on rates varying from \$200-\$500 per hour. Fees are usually billed each quarter and not more than four (4) months in advance of services provided.

### **Investment Management & Research Services**

Fees for specialized investment research services, including unique investment decisions, investments not recommended or monitored by Milestone, or other proprietary investment research are negotiable based on the nature and level of service provided. Mutually agreed upon fees may be fixed or hourly, and are generally based on rates varying from \$200-\$500 per hour. Fees are usually billed each quarter and not more than four (4) months in advance of services provided.

#### 401(k) Plan Investment Management Fee Schedule

Milestone's fees for managing 401(k) assets generally range between 0.25% and 1.00% depending on the account size, the number of participants and annual plan activity. See the above Standard Investment Management Fee Schedule for details.

#### Variable Life Investment Management Fee Schedule

Milestone may provide ongoing discretionary account management services for the cash values of variable life insurance products. However, Milestone does not provide advice on selecting or establishing life insurance policies. Fees are generally calculated according to the standard investment management fee schedule, but may be negotiable in certain circumstances. In some cases, the cash values of managed policies may be combined with the value of other accounts managed by Milestone to establish an overall fee rate.

#### ***Fee Deductions***

Ongoing account management fees are generally payable quarterly in arrears, based on total assets under management at the end of the calendar quarter. Management fees are pro-rated for any inflows or outflows occurring during the quarter. Account management fees are generally directly deducted from your account on a quarterly basis.

Special fee arrangements may, in some cases, be negotiated for family groups. A family group includes several members or relatives of the same family where one central point of contact has been established. Existing clients may pay fees according to historical fee schedules that may be lower than the fee schedules described herein.

Milestone's accounting, reporting and billing systems use pricing information provided by Charles Schwab & Co, Inc. (Schwab) and in certain instances, prices provided from alternative custodians for your accounts. This information is used to calculate performance returns for client accounts and assess management fees. If you custody your assets outside of Schwab, you may receive custodial statements that reflect slightly different prices for certain securities such as municipal bonds, certain corporate bonds or other difficult to price securities. Milestone encourages you to compare your account statements sent directly to you from your custodian with your Milestone performance reports.

Milestone considers its fees to be competitive with those fees charged by other investment advisors and financial planners offering comparable services; however, comparable services may be available from other sources for higher or lower fees than those charged by Milestone.

#### ***Other Fees***

Mutual funds, exchange-traded funds, and other investment company assets are subject to additional advisory and other fees and expenses. These fees and expenses are described in the prospectuses of those funds, and are paid for by the funds, but are ultimately borne by you.

Schwab, Pershing and Fidelity Investments (Fidelity) charge brokerage commissions and/or transaction fees for certain securities transactions. For example, transaction fees are charged for certain no-load mutual funds and commissions are charged for individual equity/debt securities transactions. Mutual fund companies also charge management fees and other fund expenses. Schwab, Pershing and Fidelity enable Milestone to obtain many no-load mutual funds without

transaction charges and other no-load and load-waived funds at nominal transaction charges. The transaction charges and/or commission rates charged by Schwab, Pershing and Fidelity are generally considered discounted from customary retail transaction charges and commission rates. However, the commission and/or transaction fees charged by Schwab, Pershing and Fidelity may be higher or lower than those charged by other broker-dealers. In certain instances, individual fixed income transactions may occur through broker-dealers with whom Milestone and/or you have entered into prime brokerage clearing arrangements. In such event, you may incur two separate transaction fees; one from the executing broker-dealer and the other from the account custodian.

Although the commissions and/or transaction fees you pay will comply with Milestone's duty to obtain best execution, you may pay a commission that is higher than another qualified broker-dealer might charge for the same transaction. In these instances, Milestone may determine, in good faith, that the commission is reasonable in relation to the quality of the brokerage services received. In seeking best execution for your account, Milestone's determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution. When making this determination, Milestone takes into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Although Milestone will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for your account transactions.

#### ***Timing of Fees and Obtaining Fee Refunds***

All services may be terminated by either party in writing, excluding email. The written notice must be signed by the terminating party. Investment management fees will be based on the investment management account value pro-rated to the termination date. Financial planning, project or hourly fees paid in advance, if any, will be pro-rated to the date of termination specified, and any unearned portion will be refunded or credited against amounts due. If a relationship is terminated within the first five days of the agreement, Milestone will refund any prepaid fees.

#### ***Additional Compensation***

Milestone and its employees do not accept compensation for the sale of securities or other investment products.

#### **(6) Performance Based Fees and Side-by-Side Management**

Milestone does not charge any performance fees. Milestone manages accounts for numerous clients that invest in the same or similar securities. Although the overwhelming majority of securities used in Milestone's investment strategy are highly liquid and readily available, certain municipal bonds or other fixed income securities may occasionally have capacity constraints. Milestone attempts to allocate investment opportunities among clients in a fair and equitable manner. Performance is never a factor in Milestone's decision to allocate securities to a client's account.

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

Milestone clients may include individuals, families, trusts, pension plans, profit sharing plans, and similar entities. Milestone generally requires clients have a minimum of \$2 million in liquid assets managed by Milestone to start or maintain an account. Milestone's Managing Directors must approve any exceptions to the minimum requirements. Milestone may terminate accounts falling below this minimum by providing a written notice to the client.

Accounts that do not meet the minimum requirement of \$2 million may not receive the full benefits of Milestone's typical investment strategy due to certain limitations on diversification and other considerations such as transaction costs.

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

### ***Methods of Analysis and Risks***

Depending on your financial needs, risk tolerance and special circumstances, Milestone will help you choose the appropriate investment objective and asset class mix generally defined by your exposures to equities and bonds. Your assets are managed by a team of Milestone's investment professionals that includes portfolio managers and investment analysts. Milestone manages each investment objective primarily by 1) diversifying capital to several asset classes (primarily U.S. and foreign stocks, bonds, and commodities), (2) rebalancing to target allocations and 3) generally seeking to limit what Milestone deems as unnecessary portfolio expenses. In addition, Milestone will consider fundamental valuations, the current macro-economic climate, market sentiment, and other factors to adjust asset class allocations over time. The asset classes you hold are exposed to investment risk that may include the loss of principal invested.

For mutual funds and ETFs, the analysis generally includes a review of:

- The fund's management team;
- The fund's historical risk and return characteristics;
- The fund's exposure to sectors and individual issuers;
- The fund's fee structure; and
- Any other factors considered relevant.

### ***Investment Strategies and Risks***

Milestone's investment strategies expose a client to daily market fluctuations that may include loss of principal. Factors that may impact asset class values include foreign exchange risk, fixed income credit and interest rate risk, and general market performance. Milestone does not attempt to avoid adverse pricing movements but may use those opportunities to sell appreciated assets and purchase poorly performing assets.

### ***Primary Investment Vehicles and Risks***

Milestone primarily recommends mutual funds, exchange-traded funds, and fixed income securities in accordance with your investment objectives. Depending on your particular situation, Milestone may also recommend the use of individual equities, options, or other securities. Mutual funds and exchange-traded funds have exposure to underlying securities that may be exposed to loss of principal due to adverse market conditions. Fixed income securities are exposed to credit default risk and interest rate risk, which could include the loss of principal. Foreign securities in mutual funds may also expose your portfolio to potential loss due to exchange rate risk.



## **(9) Disciplinary Information**

Milestone and its employees have not been involved in any investment-related legal or disciplinary events in the past 10 years that would be material to a client's evaluation of Milestone or its personnel.

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

Certain Milestone management persons are also employees, management persons, executive officers, directors or registered representatives of BOKF, NA, Cavanal Hill Investment Management, Inc. (Cavanal Hill), or BOSC, Inc. (BOSC). Neither Milestone nor any of its employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or are an associated person of the foregoing entities.

To follow is a description of relationships or arrangements that are important to Milestone's advisory business or to our clients that we or our personnel have with any affiliate mentioned below.

- ***Accountant of Accounting Firm.*** On occasion, Milestone employees may recommend tax consulting or other related tax services to its clients. Milestone may consult with in-house or outside tax specialists for these services, including S. Mark Springston CPA P.C., a Milestone employee. All recommendations for tax related services are provided on a non-discretionary basis.
- ***Banking or Thrift Institution.*** BOKF, NA is national banking association and is a wholly-owned subsidiary of BOK Financial Corporation, a financial holding company. BOKF, NA is a Member FDIC and Equal Housing Lender. BOKF, NA does business as Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, Bank of Arizona, Colorado State Bank and Trust, Bank of Kansas City, and Bank of Arkansas. Cavanal Hill is a wholly-owned subsidiary of BOKF, NA.
- ***Investment Adviser or Financial Planner.*** BOSC and Cavanal Hill are investment adviser affiliates of Milestone. BOKF, NA is a national banking association affiliate that provides advisory and financial planning services to its clients. Some executive officers and employees of Milestone are also executive officers, directors, or employees of Cavanal Hill, BOSC, and BOKF, NA.
- ***Investment Company or Other Pooled Investment Vehicle.*** The Cavanal Hill Funds have arrangements in place with Cavanal Hill and several other Milestone affiliates. Cavanal Hill serves as investment adviser and administrator. BOKF, NA serves as custodian. BOSC serves as the distributor and principal underwriter to each of the Cavanal Hill Funds. Fund shareholders may include officers, directors, or employees of Milestone and its affiliates. For its provision of distribution and shareholder services, BOSC and BOKF, NA may receive 12b-1 and shareholder servicing fees from the Funds.
- ***Sponsor or Syndicator of Limited Partnerships.*** BOKF Equity LLC (BOKF Equity) is an affiliate of Milestone. BOKF Equity is the general partner and manager of private equity limited partnerships. BOKF Equity is a general partner in the Private Equity Limited Partnership

I (PELP I) and Private Equity Limited Partnership II (PELP II). Clients of BOKF, NA were solicited by BOKF Equity to invest in PELP I and PELP II; however, clients of Milestone were not solicited to invest in PELP I or PELP II. BOSC is the non-discretionary investment adviser to PELP I and PELP II.

- ***Broker-Dealer, Municipal Securities Dealer, or Government Securities Dealer.*** BOSC is an affiliate of BOKF, NA and Cavanal Hill Investment Management, and is a wholly-owned subsidiary of BOK Financial Corporation. BOSC is a registered broker-dealer and member FINRA/SIPC, an SEC registered investment adviser, and an SEC registered municipal adviser. SEC registration does not imply a certain level of skill or training. The principal business of BOSC is that of general securities broker-dealer, government securities sales and municipal securities underwriting. A division of BOKF, NA is a registered municipal securities dealer. (The registered division is titled “Institutional Investments, Bank of Oklahoma.”)
- ***Insurance Company or Agency.*** Some registered representatives of BOSC are also employees of BOSC Agency, Inc., a subsidiary of BOKF, NA and an affiliated insurance agency of Milestone.

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

Milestone has adopted a formal Code of Ethics to avoid any potential conflicts of interest involving personal trades. As part of Milestone’s Code of Ethics, employees are required to:

1. Act in an ethical manner with the public, clients, prospective clients, and employers;
2. Place the interests of clients and the integrity of the capital markets above their own personal interests;
3. Avoid taking inappropriate advantage of their position as investment advisers;
4. Conduct all personal securities transactions in a manner consistent with this policy;
5. Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
6. Practice in a professional and ethical manner;
7. Comply with applicable provisions of the federal securities laws.

A copy of Milestone’s Code of Ethics is available to you or a prospective client upon request.

#### ***Potential Conflict of Interest – Investing in Same Securities***

Officers, employees and owners of Milestone may from time to time buy or sell securities for their own accounts also recommended to, and/or bought or sold for clients. Milestone often recommends open-end mutual funds for implementing client investment strategies. Since all transactions in open-end investment companies are executed at the same closing net asset value for all participants, no price impact is anticipated from either employee or client transactions. Consequently, clients are not adversely affected by these transactions.

#### ***Potential Conflict of Interest – Recommending Same Securities***

Milestone has established rules for personal securities trading. All officers, employees and owners of Milestone are required to follow Milestone’s Personal Trading and Insider Trading Detection and Prevention Policy with respect to transactions for their own accounts. In addition, officers, employees and owners must make available to Milestone a record of their personal transactions in accordance with SEC requirements.

Milestone's officers, employees and owners may invest in the same securities as their clients, only after their clients have an opportunity to first invest in these securities. This applies to any security which Milestone has traded, currently trades, or could trade in the future, excluding open-end mutual funds. However, corporate, officer, or employee accounts using the same investment strategy as clients may aggregate their orders with clients. Under these circumstances, advisory clients will not be favored over any other client. Corporate, officer or employee trades will be aggregated with client trades only where Milestone determines in good faith that trading simultaneously with clients will have no adverse effect on client trades.

Milestone may give client advice or take actions for another client, for Milestone's own accounts or for employee accounts, that is different from the advice given to a particular client. Milestone is not obligated to purchase, sell, or recommend for a client a security or other investment that Milestone may purchase, sell or recommend for any other client or for its corporate, officer, or employee accounts.

### ***Potential Conflict of Interest – Trade Error Policy***

From time-to-time, Milestone may commit trade errors. To correct trade errors, Milestone may place a correcting trade with the broker-dealer which has custody of the account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense.

Generally, if related trade errors result in both gains and losses in a client account, they may be netted.

## **(12) Brokerage Practices**

### ***Selecting Broker-Dealers***

Unless you direct otherwise, Milestone shall generally recommend that all investment management accounts be maintained at Schwab, Pershing or Fidelity. When recommending these custodians (or any other broker-dealer/custodian) to clients, Milestone considers their financial strength, reputation, execution, pricing, research, and service.

Milestone will arrange for the execution of securities transactions through broker-dealers that Milestone reasonably believes will provide "best execution." In seeking best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including the value of research provided, execution capability, commission rates and responsiveness of the broker. Although Milestone will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions. Milestone generally does not execute individual bond transactions at the clients' custodian. As a result, custodians may charge clients trade-away fees. Milestone believes the benefit of price or execution quality received from trading away from the custodian outweighs the additional transaction fee incurred.

### ***Research and Other Soft Dollar Benefits***

Milestone receives benefits from certain broker-dealers, including Schwab, Pershing and Fidelity that it would not receive if it did not provide investment advice to clients. Although these benefits are not paid for with client commissions, these practices may be considered informal soft dollar arrangements. Some of these products and services assist Milestone in managing and administering clients' accounts. These include software and other technology that provide access to client account data such as trade confirmations and account statements. These services also include software that facilitates trade execution and allocation of aggregated trade orders, research, pricing information and other market data, software that facilitates payment of Milestone's fees from its clients' account, and services that assist with back-office support, recordkeeping and client reporting. Many of these services are used to service all or a substantial number of clients' accounts. Broker-dealers may also provide Milestone with information and consulting services intended to help Milestone manage and further develop its business enterprise. These services may include technology consulting, business consulting, and access to regulatory compliance publications and presentations. The broker-dealers may discount or waive fees it would otherwise charge for some of these services, or pay all or a part of the fees of a third party providing these services to Milestone. Milestone's receipt of the foregoing products and services is not contingent upon Milestone committing to any specific amount of business to the broker dealers (assets in custody or trading). On occasion, Milestone may be invited to attend certain industry seminars or meetings organized by broker-dealers or custodians. A portion or the entire cost of attending these events, including travel, accommodations, and entertainment may be offset by these entities.

Milestone receives analytical portfolio software from Dimensional Fund Advisors (DFA), the sponsor to certain funds recommended by Milestone. Milestone uses the software to analyze portfolio diversification parameters and optimal portfolio construction among other items. Such software may be used in creating marketing presentations provided to existing or prospective clients. In addition, DFA may provide Milestone with access to their professional resources to assist in creating or running reports on the DFA software. Milestone uses the services provided by DFA to assist with its investment decision-making and trade execution practices to benefit its clients.

Milestone does not receive any soft dollar credits from custodians that might otherwise create a material conflict of interest with its clients. Milestone does not believe its clients pay higher commissions or other fees than those charged by other broker-dealers in return for these services benefiting its clients.

### ***Directed Brokerage***

You may direct Milestone to use a particular broker-dealer to execute some or all transactions for your account. Milestone reserves the right to decline and/or terminate the engagement if such arrangements cannot be accommodated. In such event, you will negotiate terms and arrangements for the account with that broker-dealer, and Milestone will not seek better execution services or prices from other broker-dealers or be able to aggregate your transactions for execution through other broker-dealers with orders for other accounts managed by Milestone. As a result, you may pay higher commissions, transaction costs, spreads, or receive less favorable net prices on transactions than would otherwise be the case.

Milestone generally manages client accounts according to their individual directives. However,

under certain circumstances, it may be beneficial to aggregate client orders for a specific security. Milestone may, but is not obligated to combine or aggregate client trades.

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

#### ***Discretionary Account Review Frequency***

On a daily basis, Milestone reviews client accounts for cash flows, fixed income maturities, and other transactions. Milestone reviews and analyzes asset allocations, securities and other investment vehicles on an on-going basis. When deemed appropriate, portfolio actions are taken.

Clients generally receive quarterly reports detailing the performance of their investment accounts.

Investment guidelines are reviewed periodically with each client, or as circumstances may dictate. Such circumstances include changes in capital market conditions, economic changes, tax changes, and/or a change in a client's financial objectives or risk tolerance. Milestone attempts to ensure conformity with each client's stated goals, financial profile and investment objectives.

The Investment Management Committee oversees the review of client accounts. The Investment Committee includes Eric Koeplin and Robert Adams (Managing Directors); Rick Watson, Ted Harris, Doug Morris, and Andy Beasley (Senior Financial Advisers) and Tony Coppola (Financial Advisor); and Tom Hudson, Tim Stecklein, and Rudge Dickinson (Investment Analysts). The Investment Management Committee is responsible for developing and implementing Milestone's investment strategy.

#### ***Non-Discretionary Account Review Frequency***

Managing Directors and Financial Advisors review non-discretionary accounts on a continuous basis however they first receive permission from clients before implementing trades.

You are advised that it remains your responsibility to advise Milestone of any changes in your investment objectives and/or financial situation. You (in person or via telephone) are encouraged to comprehensively review financial planning issues, investment objectives and account performance (as applicable) with Milestone on an annual basis.

#### ***Reporting Frequency***

Milestone generally produces written or web-based client performance reports on a quarterly basis for discretionary accounts but no less frequently than annually, reflecting their investment portfolio performance for the stated period. Non-discretionary accounts are generally included with discretionary account performance reports while non-managed accounts generally do not receive any reports from Milestone.

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

#### ***Referral Sources***

Milestone may pay an unaffiliated or affiliated referral source a fee for referring prospective clients to Milestone. Any such referral fee is paid solely from Milestone's compensation, and will not result in any additional charge to the client. All paid referral sources are required to disclose to the prospective client referred to Milestone the existence and nature of their referral arrangement with Milestone.

**(15) Custody**

Milestone does not custody your funds or securities. Account statements are generally produced and sent to you by the account custodian or trustee on a monthly basis. Milestone encourages you to compare your custodial account statements with your Milestone performance report.

**(16) Investment Discretion**

Investment management and investment supervisory services are offered on a discretionary and non-discretionary basis. For discretionary accounts, Milestone is authorized to implement recommendations without contacting the client. For non-discretionary accounts, Milestone seeks approval from the client for each recommended course of action.

Prior to providing investment management services, Milestone requires you enter into a formal *Investment Advisory Agreement* that sets forth the terms and conditions under which Milestone shall manage your assets. In addition, clients must sign a separate custodial/clearing agreement with their chosen custodian. Both Milestone's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit your account for Milestone's investment management fee, and if applicable, other financial planning or tax-related consulting fees. Fees are directly remitted to Milestone.

**(17) Voting Client Securities**

You are responsible for all proxy voting. Milestone does not vote proxies on your behalf. You will receive proxies or other solicitations directly from your custodian and may contact the custodian directly should you have any questions about a particular solicitation.

**(18) Financial Information**

Milestone does not require or solicit prepayment of investment advisory service fees. In some instances, financial planning fees may be billed to clients not more than four (4) months in advance of when services are provided.

Milestone is unaware of any financial condition that is likely to impair its ability to meet its contractual commitments to its clients. Milestone has not been the subject of a bankruptcy petition.

Milestone's Chief Compliance Officer, Mark J. Riley, remains available to address any questions regarding this Part 2A of Form ADV brochure.

**(19) Requirements for State Registered Advisers**

Milestone is not a state-registered investment adviser.