

SEC Form ADV  
Part 2

Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Item-1: Cover Page**

Cover Page of Form ADV  
(Item-Section #1)

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(RTHRIA,LLC)**

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Robert T. Hickman, Principal of Firm

United States  
Securities & Exchange Commission  
Form ADV Part 2  
(with accompanying Parts 2A, and Parts 2B)

**\*LEGEND\***

This brochure provides information about the qualifications and business practices of RT Hickman, Registered Investment Adviser, LLC (RTHRIA,LLC). If you have any questions about the contents of this brochure, please contact Robert Hickman at 1-201-880-8432. 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 RTHRIA,LLC also is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

"Registration" (being "registered") and use of the title "registered investment adviser" does not imply a certain level of skill or training.

DATE OF THIS BROCHURE:

As of:  
March, 2012

*The RT Hickman  
Financial Companies*

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## **Item-2: Material Changes**

(Item-Section #2)

**Material Changes (Reference List of Material Changes, Revisions, or Restatements)**

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**Reference List of Material Changes, Revisions, or Restatements**

**FROM: Previous Form ADV, Part-2, dated March/2011**

**TO: This Form ADV, Part-2, dated March/2012**

**NEW DISCLOSURES ADDED:**

- Disclosure Item-3: \*\*\*CAVEAT\*\*\*.
- Disclosure Item-4: Intermediate Subsidiaries: Why RTHRIA,LLC and the RTHFC can only be Federally (nationally) registered and regulated.
- Disclosure Item-4: Tailoring of Services to Needs of Clients: RTHFC policy/credo: Human Beings are the primary Capital Formation generators.
- Disclosure Item-8: Risks of Structural Operations: Additional Red Flags.

**PREVIOUS DISCLOSURES THAT HAVE BEEN MATERIALLY CHANGED:**

- Disclosure Item-1: Cover Page: new company domicile address in State of New York.
- Disclosure Item-4: The group of RTHFC: R.T. Hickman Licensed Insurance Producer, LLC is "R.T. Hickman Insurance Agency, LLC" in the State of New York.

**PREVIOUS DISCLOSURES REMOVED:**

- NONE.

Continue on next page.

## **Item-3: Table of Contents (with Items Index)**

(Item-Section #3)

Table Of Contents with Items Index

Disclosure Items:

Required Disclosure  
"List of Items &  
Numbers"

➤ Brochure <b>Cover Page</b> .....	Item 1
➤ Reference List of <b>Material Changes</b> from Previous (Last) Form ADV-Part2.....	Item 2
➤ <b>Table Of Contents</b> and Disclosure Items Index.....	Item 3
➤ Description of <b>Advisory Business</b> (types of Services Offered, how provided, etc.)....	Item 4
➤ <b>Fees and Compensation</b> (costs Clients must understand and find acceptable prior to acceptance).....	Item 5
➤ <b>Performance-Based Fees</b> .....	Item 6
➤ <b>Types of Clients</b> (the kinds of Clients we usually provide services to, criteria, etc.)....	Item 7
➤ <b>Methods of Analysis, Investment Strategies, and Loss Risks</b> .....	Item 8
➤ <b>Disciplinary Information</b> .....	Item 9
➤ <b>Other Financial Industry Activities and Affiliations</b> (credentials, common business entities, & how conflicts are controlled).....	Item 10
➤ <b>Ethics, Participation or Interest in Client Transactions and Personal Trading</b> (how Client interests are placed ahead of proprietary interests).....	Item 11
➤ <b>Brokerage Practices</b> (factors applied in recommending or selecting Broker-Dealers for Client transactions, incl. Soft Dollars, Directed Brokerage issues, etc.).....	Item 12
➤ <b>Review of Accounts</b> (how and when done; reports utilized & provided).....	Item 13
➤ <b>Referral Fees and/or Other Compensations</b> (conflicts of interests, etc.).....	Item 14
➤ <b>Custody</b> (how & where Client assets are held, and, reporting, etc.).....	Item 15
➤ <b>Investment Discretion</b> (Client appointments of Power(s) of Attorney for Management of Client Account(s)).....	Item 16
➤ <b>Voting Client's Securities</b> (proxy).....	Item 17
➤ <b>Financial Information</b> .....	Item 18

PART 2A: AAM#1 WRAP FEE BROCHURE \_\_\_\_\_ Part 2A

PART 2B: Brochure Supplement – ADVISER BIOGRAPHICAL INFORMATION \_\_\_\_\_ Part 2B

PART 2B: Brochure Supplement: AGREEMENT & ACCOUNT FORM REFERENCE EXAMPLES \_\_\_\_\_ Part 2B

This Disclosure Document (FORM ADV Part 2 BROCHURE) was designed according to: [www.sec.gov/rules/final/2010/ia-3060.pdf](http://www.sec.gov/rules/final/2010/ia-3060.pdf). Refer to this website to further understand the above List Of Disclosure Items and Item Numbers, please refer to: [www.sec.gov/rules/final/2010/ia-3060.pdf](http://www.sec.gov/rules/final/2010/ia-3060.pdf).

Filing of Adviser disclosures to each State is done via Form ADV Part-1, via the IARD System. RTHRIA, LLC also sends a hard copy of all ADV disclosures to States that accept hard copies, via US Postal Certified Mail. States also reference this brochure via [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (at left side of page, within "Part-2 Brochures.").

Prior to reading this Brochure, all Investors are respectfully required to review [www.mymoney.gov](http://www.mymoney.gov).

Genuine profile entries are only those corroborated by Documents of Authority. Web-Based disclosures are not genuine. They are (at any moment in time) subjected to flaws, vulnerabilities, tampering, corruptive effects, etc. Because of these flaws (containment within Database Systems with Security-Systems RTH has not built), if a Client observes any material discrepancy, Client is to bring it to RTH's attention. RTH will then corroborate the data to actual with Client.

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(Item-Section #3, continued)

**\*\*\*CAVEAT\*\*\***

Any reliance on these documents is subject to "authentication" which RT Hickman establishes via effective dated delivery of a Hard Copy, complete with all RT Hickman required accompanying supplemental disclosure documents (to requesting Users intending to engage RT Hickman). See "Agreement & Account Form Reference Examples" at Part 2B of this document. Since this document is a "web-based electronic file" in a realm of distortionability, this ADV Part-2 presentation is not "legally evidential." The security settings in this document and relative internet transmission venues are within a range of "imperfect" to "no security at all." Accordingly, every reader is to understand that this ADV document does not present RT Hickman's actual Form ADV Part-2, meaning, this document is not to be relied on as RT Hickman's actual (authentic) Form ADV Part-2. Web-based readers are hereby further cautioned that the propensity for disclosure unreliability is even greater when resorting to general web-search (non-regulator search engine) methods that are outside of a secure regulatory database, and therefore, any such information is entirely disclaimed by RT Hickman, being that it is also unauthenticated by RT Hickman.

With respect to financial business matters, the RTH Financial Companies policy is for all communications, orders, etc. to bear the signature of an authorized person (human being), or an equivalently supportive corroborative.

Financial Account Owners (FAOs), Investors, and Property Owners in general are to not forget that any communication lacking a bona-fide personal execution authorization omits legitimacy of origin, and therein resides potentially great risk. Electronic Meta Data is not a human being.

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## **Item-4:**

# **Advisory Business**



ADVISORY BUSINESS  
(Item-Section #4)

RTHRIA, LLC is the Investment Advisory Services entity within the group of RT Hickman Financial Companies. RTHRIA, LLC is 100% owned by Robert T. Hickman. A synopsis and summary history of the RT Hickman Financial Companies is as follows:

- R. T. Hickman, Registered Investment Adviser, LLC (a NFA Member, Registered Commodity Trading Advisor (Commodity Futures Trading Commission) Firm; and, Securities and Exchange Commission Registered Investment Adviser Firm);
- R. T. Hickman Securities Brokerage Firm, LLC (a Financial Industry Regulatory Authority (FINRA)/ National Association of Securities Dealers (NASD) Member securities brokerage firm);
- R. T. Hickman, Licensed Insurance Producer, LLC (an Insurance Production/Broker firm). RTHLIP, LLC is "R.T. Hickman Insurance Agency, LLC" in the State of New York.
- R. T. Hickman Financial & Estate Consultants, LLC (a Financial Consulting Services firm for Businesses, Individuals, Trusts & Estates, and Employee Benefit Plans);
- R. T. Hickman Financial Companies, LLC (a Holding Company serving the above list of Professional Financial Services/Practice Firms).

Please further understand from the above list of RTH companies that, with respect to investments, RTH activities operate under the categoric regulatory domains (of rules) of (a) the SEC and FINRA, and (b) the CFTC and NFA.

Robert T. Hickman is the 100% Owner and Chief Executive Officer (Executive Member and Executive Principal) of these companies.

A schedule of Mr. Hickman's Professional Credentials and Designations accompanies this ADV Part 2 at Part 2B "Advisor Biographical Information." Mr. Hickman formerly owned a CPA Firm over the years 1982-1989, which was a concentrated practice in financial consulting and estate consulting engagements. The name of this firm was "R.T. Hickman, Certified Public Accountant," which conducted business as a Proprietorship Entity. This Firm was sold at the close of 1989. In 1990, Mr. Hickman started a new company (R. T. Hickman Financial & Estate Consultants) which over the years has grown into the R. T. Hickman Financial Companies. Mr. Hickman has been the CEO of these companies continuously. He received his Bachelors Degree in Accounting from The William Paterson University of N.J., and, accomplished schooling for Certified Financial Planning through Fairleigh Dickinson University and the Denver College of Financial Planning. Each Financial License and Professional Designation requires Mr. Hickman to earn a minimum number of Continuing Professional Education Credits. Accordingly, over the years Mr. Hickman has been a continuous student in diverse but focused financial studies. Please also refer to Item-Section #10, at LIST OF PROFESSIONAL CREDENTIALS AND DESIGNATIONS (of the R. T. Hickman Financial Firms, and of Robert T. Hickman).

(Item-Section #4, continued)

## Description of Advisory Business

### LIST OF ACRONYMS TO THE GROUP OF RT HICKMAN FINANCIAL COMPANIES AND THEIR MEANINGS:

RTHRIA, LLC = R.T. Hickman, Registered Investment Adviser, LLC

RTHFC, LLC = R.T. Hickman Financial Companies, LLC

RTHFC = all RT Hickman company-entities (as a group, or, "in reference to all RT Hickman entities").

RTHSBF, LLC = R.T. Hickman Securities Brokerage Firm, LLC

RTHLIP, LLC = R.T. Hickman, Licensed Insurance Producer, LLC

RTHFEC, LLC = R.T. Hickman Financial & Estate Consultants, LLC

RTH = Robert T. Hickman, 100% Owner, and the Principal (person) in charge of Operations and Policy in each and all RT Hickman entities. Distinguishing Note: Some areas within this document may indicate "RTH" with the intended meaning..."as a matter of RTH operating policy, with uniform or general application throughout all of the RTHFC, or, as within the realm of the disclosure-point."

**FAO = Financial Account Owner.** The RTHFC provide services through the use of various types of financial instruments. Some are not referred to as "Investments." Therefore, throughout this Brochure, in respective places, references shall be made to the "Financial Account Owner" (the "FAO") rather than to the "Investor."

➤ RTHRIA, LLC (the Investments Advisory Firm) consists of two "regulatory-separate" operating components:

A) RTHRIA, LLC in operative activity as a U.S. (SEC and State) investment advisory (IA) business;

and,

B) RTHRIA, LLC in operative activity as a U.S. (CFTC with NFA) commodity trading advisory (CTA) business.

➤ Business background of the IA and CTA Firm components and its Principal:

- RTHRIA, LLC re-set its organization Principal Office Domicile as a Limited Liability Company in the State of New York as of 3/2012.
- RTHRIA, LLC was organized as a Limited Liability Company in the State of New Jersey on July 1, 1999.
- RTHRIA, LLC was formed with registration as an Investment Adviser (IA) Firm, effective on July 1, 1999, with SEC registration effective on July 1, 1999, with Robert T. Hickman as IA Principal.
- Prior to July 1, 1999 (During the 1990s), RT Hickman Financial & Estate Consultants was filed as a Registered Investment Adviser with the SEC (prior to the inception of RTHRIA, LLC).

Continued on next page.

(Item-Section #4, continued)

- RTHRIA, LLC was formed with registration as a CTA Firm effective on July 6, 2006, with NFA Membership effective on July 6, 2006.
- Robert T. Hickman became registered as an Associated Person (AP) and listed as a Principal of the CTA component effective on July 6, 2006.
- (RE: CFTC Registration: For detailed regulatory-categoric-required Profile Data Disclosures, refer to [www.nfa.futures.com](http://www.nfa.futures.com). Therein, click into NFA's "BASIC" system).

➤ **PRINCIPALS:**

Identification of the Principal Owner of the Investment Advisory Firm (RTHRIA, LLC):

Robert T. Hickman (100% Owner, Principal Executive Officer, and Management Person).

➤ **INTERMEDIATE SUBSIDIARIES of the Investment Advisory Firm (RTHRIA, LLC)**

- NONE

➤ Associated "legal-formatively but separate", and "regulatory-separate" Financial Firms which are also 100% owned by Robert T. Hickman:

- R. T. Hickman Securities Brokerage Firm, LLC (a Financial Industry Regulatory Authority (FINRA/National Association of Securities Dealers (NASD) Member securities brokerage firm); (For detailed regulatory-categoric-required Profile Data Disclosures, refer to [www.finra.org/brokercheck](http://www.finra.org/brokercheck)).
- R. T. Hickman, Licensed Insurance Producer, LLC (an Insurance Production/Broker firm). (For detailed regulatory-categoric-required Profile Data Disclosures, refer to <http://licenseregistry.com>).
- R. T. Hickman Financial & Estate Consultants, LLC (a Financial Consulting Services firm for Businesses, Individuals, Trusts & Estates, and Employee Benefit Plans); (via presentation of Professional Practitioner Financial Licenses/Certifications. For further information, refer to "Part 2B, Brochure Supplement Sections: Adviser Biographical Information), and Agreement and Account Form Reference Examples.
- R. T. Hickman Financial Companies, LLC (a Holding Company serving the above list of Professional Financial Services/Practice Firms).

Robert T. Hickman is the Chief Executive Officer (Executive Member and Executive Principal) of these companies.

Please further understand from the above list of RTH companies that, with respect to investments, RTH activities operate under the categoric regulatory domains (of rules) of (a) the SEC and FINRA, and (b) the CFTC and NFA.

Continued on next page.

(Item-Section #4, continued)

The RTHFC are predominately (mostly) a Federally (Nationally) registered and regulated regime of entities. The majority (nearly all) of the Regulatory Authorities the RTHFC operate under are Federal nationally based. Accordingly, regulatory registration follows (and must follow) this federal-national application to prevent and protect activities from regulatory distortions and dangerous bifurcations (which otherwise would occur).

For RTHRIA,LLC, this means that RTHRIA,LLC applies Investment Adviser Registration according to the SEC (federal, nationally-based) firm application.

With respect to RTHLIP,LLC (R.T. Hickman Insurance Agency,LLC in the State of New York), regulatory attendance is pursued through the National Association of Insurance Commissioners (NAIC) nationally designed model regulations.

The RTHFC do respect the rights of sub-national governments to form their own laws and regulations, and we strive to comply with them.

Financial Account Owners (FAOs), Investors, and Property Owners are to consider every area where departures from National uniform legitimate regulation can cause risks or losses of National consequence, or upon the FAO, where the sub-national lacks the resources or reliable protective constructs (statute-constructs, not only in form, but in actual substance) to cure such consequential damages. In some cause-of-loss areas the FAO may find ways to full recovery, but in others, means for effective recovery may not actually exist. FAOs must carefully study these risks and distinctions.

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(Item-Section #4, continued)

Each RTHFC operates under its own distinct "Books Of Rules" (meaning, as under U.S. laws, each within its own protocol of financial regulations). This is also the case for the Personal Professional (Financial Practitioner) Credentials possessed by Robert T. Hickman. By virtue of these various "Books Of Rules," each RTHFC features its own Pricing Structure/Fee Structure (see Item Section#5). The RTHFC allow Clients access to a wide range of types of financial services. In areas where Conflicts Of Interests exist, the RTHFC have instituted proprietary methods and procedures which, structurally, enforce the interests of the Client ahead of all others. Throughout this Form ADV Document-Brochure-Set, areas Conflicts Of Interests are disclosed with RTHFC described procedures of how in these areas the RTHFC structure the interests of the Client first, including how RTHFC constantly monitors Client business for any improper diminishment effects which the RTHFC strive to guard Clients from. One common area of concern for Clients receiving multiple types of financial services from the RTHFC (which means, Client undertakings must comply with multiple sets of "Books Of Rules") is whether or not (as the Client is implemented through various types of pricing-structures) the Client is being duplicatively charged ("double-charged" or "overcharged"). As explained in Item-Section-#5, the RTHFC have procedures in place which serve to avoid this potential problem from occurring, and, for justifying cost-charges in every implementation through agreed-recording with the Client.

Throughout compliance with all required financial regulations, the RTHFC conduct business (to the degree permitted under US laws) according to respecting the Rights of the people of our USA as paramount to all others. Every FAO must also understand there can be scenarios where (when truly validated) "common-good" issues or situations may be paramount to even the Rights of the people of our USA. For example, "common-good" issues are valid when they serve to protect and preserve the Rights of the people of our USA. But the point here of utmost concern is that "common-good" law requirements preempt the paramount – the People. This means that in some FAO procedural (areas) "common good" regulations do preempt the FAO's personal rights. Therefore, every FAO must understand that whenever any assets are placed into any kind of Financial Account, the FAO places assets into this incredibly-dynamic realm because in our USA, all financial markets reside within and must be compliant with this realm. The people of our USA are here reminded that placement of your personal assets into Financial Accounts/Financial Marketplaces is done by your personal choice to do so, it is not mandatory in our USA.

The FAO is to also understand that each "Book Of Rules" subjects each and every kind of Financial Account or Financial Service to mandatory regulatory procedures therein. In our USA, this means at both Federal and State levels. Accordingly, the FAO is required to understand that when a certain type of Financial Account is opened, a relative "Book Of Rules" are procedurally applied. Also, when a Client engages a Professional Financial Practitioner for services, each Professional Credential (such as "Attorney", "Broker", "CFP", "CPA", "Insurance Agent", etc...) mandates application of "Books Of Rules" procedurally into the services that you (the Client) select to be engaged. Therein, further understand that if you simultaneously engage multiple Credentials (for example: an "Attorney, CFP, CPA") all three kinds of "Books Of Rules" would have to be procedurally done within your engagement. Although it may be very beneficial to have this simultaneous multiple-dimension of competency in your work, costs would be higher, and the potential conflict of "duplicative charges" then have to be managed for properness. Therefore, carefully evaluate what is most-suitable for you before enacting your Professional Services engagements.

For more information on this disclosure-point, the reader may refer to the following Item-Section-#10), at: "How Financial Regulatory Frameworks (the rules of Financial Regulations) Apply to the RTHFC, and, How the RTHFC Operate According to Financial Regulations."

(Item-Section #4, continued)

### Description of Advisory Services Offered

RTHRIA, LLC service provisions (duties) include:

- Investment and Commodities Supervisory Services (such as via a Discretionary Trading Program);
- Management of investment Advisory Accounts without supervisory duties (such as when Third Party Managers are used - Mutual Funds for example);
- Provision of Investment and/or Commodities Advice through Consultation arrangements;
- Furnishing advice about Securities or Commodities in ways other than above (such as in Suitability determinations, Client attendance to financial regulations, etc).

It has taken RTHFC many years, tests, and qualifications to build its service capacity. Duties in Contracts did not commence until the 7/6/2006 Effective Date. Services provided to each Client are uniquely constructed for the needs and objectives of each Client. (see "tailoring" below).

#### SPECIALTIES ("what we have been doing and can do for you"):

- Methods for controlled and assured growth (Hedge-based or Speculative-based);
- Proprietary trading program methods (to qualifying Clients only, per financial regulations);
- Detection and removal of flaws in Client's approach to Investing (throughout financial markets and industries);
- Safeguarding large complex Investment Trusts and similar entities (including Union Plans);
- Coordination of uses of Insurance as relative to Investment Positions and (when applicable) Financial Profile Positions & Stature;
- Investment configurations through all types of Boards, including disharmonious Boards Of Trustees;
- Proprietary account designs and strategies (minimization of use of third parties);
- Sophisticated (Special Qualification) Private Investors;
- Operations and Service-Design for Clients without personal/private data in the "Internet Realm";
- Protect FAOs from flawed financial markets & market protocols, and, flawed financial regulations (areas of regulatory "faults").

By engaging R. T. Hickman, the requirements and necessities of very large and complex FAO Client-types are granted access to imperative services of good value with proficient practical solutions through the numerous financial registration credentials of the RTHFC. (wide range of capability through one serving source).

Clients have found our expanse and depth of service abilities to truly be an ultimate solution for their unique and complex needs. The RTHFC will build solutions specifically to YOUR specs. If you are dissatisfied with generic financial products, call us.

#### TYPES OF CLIENTS

- Corporations, Business Institutions
- Pension Plans, Profit Sharing Plans, etc. (including Union Plans);
- Trusts, Estates, Foundations/Charitable Organizations;
- Individuals (usually High Net Worth &/or Complex Cases);

Investment Boards of Trustees & Complex Investor Portfolios seeking diligent & vigilant applied expertise into Investment Portfolio situations should call us.

(Item-Section #4, continued)

#### TYPES OF FINANCIAL INSTRUMENTS

- Securities (including Equity, Debt, Unitary Investment Securities such as those of third party Investment Companies, Securitized Debt); (Examples of Unitary Investment Securities are Mutual Funds & Variable Annuities. Investment Companies are "Issuers" of Unitary Investment Securities).
- Contracts (including Futures on Intangibles and Options on Securities, Commodities, etc.);
- Insurances.
- Cash, Margin, or Apps-Way-Only Positioning(s) Accounts;
- Long Term, Short Term., Trading, Short Sales, Controlled-Leverage Contracts (covered, naked, spreads, etc).

#### TAILORING OF SERVICES TO NEEDS OF CLIENTS

- Tailoring is done in every case through extensive Suitability Diagnostics, with every Client providing a "Client Suitability Statement."

Every service provided is implemented according to (1) "Client-Specific Prescriptions" via a Client or Customer's Suitability Statement (a Workpaper-Set); and, (2) an Agreement Document. We believe that suitability diagnostics are an imperative to client/customer and financial marketplace integrity. From these procedures, every service/implementation is tailored to every client's needs by virtue of their provided Suitability Statement Forms. Also, client restrictions become self-evident by the data and answers they provide on their Suitability Statement Forms. Each client's suitability statement forms-sets are also used to surface the kinds of investments that the client would consider to be "restricted." Each customer suitability statement endeavors to have every investor to plan each implementation not only on the merits of each investment placement, but also via a suitability of integration within the client/customer's provided (unique) financial profile. Client-Specific Prescription records are treated as confidential records. Investment or Insurance specific Prospectuses or Offering Disclosure Documents are included with each Client's Suitability diagnostics and Statement.

#### WRAP FEE PROGRAMS

- Refer to the Part 2A, WRAP FEE BROCHURE section of this Brochure.

#### ASSETS MANAGED ON A DISCRETIONARY –vs- A NON-DISCRETIONARY BASIS

- Refer to Item Section #16.

#### CAUTION/REMINDER:

No Investor or FAO is to proceed to implement RTHRIA,LLC services without first studying all of the Cautions and Risks disclosed in the Item-Section # 8 area.

The RTHFC are not subsidized nor a receiver of benefits from the US Federal Reserve System. The RTHFC are not subsidized by any Government (Taxpayer) Agency, Bureau, or Provision. The RTHFC contribute resources to Government-required Homeland programs, such as FinCEN of our US Department of Treasury (refer to [www.fincen.gov](http://www.fincen.gov)). Accordingly, the RTHFC is a subsidizer to US (Homeland) government bureaus and operations.

(Item-Section #4, continued)

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The RTHFC believe in Regulatory Oversight in effort for the protection first-and-foremost of Human Beings (HBs) (individually, as well as the collective effects thereupon).

The FAO is to carefully consider how there are thousands of different laws & regulations throughout our world.

Laws and Regulations in ways and places may not protect HB interests first. It should only be by rare and justifiable exception that Law or Regulation can evolve away from this Credo In America.

The RTHFC believe that Capital Formation generates from the Human Being (HB). Machines may generate capital, but it is the Human Being that is (and should be) making the machine. In this Credo, the interests of the HB are paramount to all others. Collective-constructs made of or for HBs, when therein occurs diminishment to the HB, must not be paramount to the HB. When the HB is diminished, life-legitimate Capital Formation is destroyed. The RTHFC believe that in the world of finance, this Credo is the perpetual lifeblood of the United States of America and America's founding, framing documents, where within is Lady Liberty's cast for universal HB legitimacy.

Continued on next page.



(Item-Section #4, continued)

Accordingly, the RTHFC attempts to exist within such formats of regulation in America. However, by America, the RTHFC also offer the option to HB FAOs (individually, and collectively when in the legitimate interests of the HBs) to work with RTHFC in a design where the FAO employs RTHFC via a Power Of Attorney construct, with the operations of these engagement designs (at/within the RTHFC-POA level) – not being conducted within a Regulatory-oversight framework. In such cases, the FAO privately, and knowingly as a HB person, elects-out of Regulatory oversight upon (within) the RTHFC-POA engagement, with such elections (when necessary or required) submitted by the FAO's execution, to America's National Regulatory Commissioners. FAOs are to understand that the US Code of Federal Regulations does provide venue for FAOs to send their opted undertakings to the Office Of The Commissioner, and the Commissioner, with Authority, is responsible for accommodating the FAO's chosen undertakings in legitimacy. The Commissioners of America have a duty to uphold the rights of America's human being Citizens.

There can also be places or occasions where the applied policies or procedures of a Financial Institution or Firm produce counter-effects upon the FAO, sometimes with no escape for the FAO due to the requirements of the applied laws or Regulations, with these consequences being unintended, but resulting in flaws or something worse. At such times, a FAO may legitimately reconstruct their relationship with the RTHFC through a RTHFC-POA engagement design. In this circumstance, the POA would not be designed inside of a financial Regulatory protocol (meaning postured within the RTHFC regulated firms level). The legitimately appointed powers and duties within each POA shall usually control supreme with respect to any and all rules.

In these types of engagements, the benefit of depth-of-knowledge furnished to Clients is that since the RTHFC are experienced in Regulatory Protocol, clients that structure a POA arrangement that is not to function inside of a regulatory protocol (here meaning at the Client-with-Professional level), is yet done with RTH's regulatory knowledge and experience. As legitimately done, this is very helpful for keeping Clients out of accidental troubles.

Regulators sometimes decide, or sometimes are "mandated to" structure their procedures and requirements in ways which result in serving special interests, or, themselves (placing these interests ahead of, or in discrimination of, the public). These kinds of regulatory protocols usually evolve through a legal system, but the actual resulting framework can be defective (flawed, discriminatory, wrongfully-obstructive, not of a proven-configuration, corrupt, etc.). Sometimes FAOs trying to conduct legitimate business through these defective protocols find roadblocks obstructing their endeavors. When these situations arise, the RTHFC here bring to your attention: consider moving to a different jurisdiction where your business will be treated in your legitimate better interest.

Continued on next page.

(Item-Section #4, continued)

**WRAP FEE PROGRAMS**

- Refer to the Part 2A, WRAP FEE BROCHURE section of this Brochure.

**ASSETS MANAGED ON A DISCRETIONARY –vs- A NON-DISCRETIONARY BASIS**

- Refer to Item Section #16.

**CAUTION/REMINDER:**

No Investor or FAO is to proceed to implement RTHRIA, LLC services without first studying all of the Cautions and Risks disclosed in the Item-Section # 8 area.

The RTHFC are not subsidized nor a receiver of benefits from the US Federal Reserve System. The RTHFC are not subsidized by any Government (Taxpayer) Agency, Bureau, or Provision. The RTHFC contribute resources to Government-required Homeland programs, such as FinCEN of our US Department of Treasury (refer to [www.fincen.gov](http://www.fincen.gov)). Accordingly, the RTHFC is a subsidizer to US (Homeland) government bureaus and operations.

## **Item-5: Fees & How Compensated**

(Item-Section #5)  
**Description of Fees & Compensation**

**Important Distinctions:**

RTHRIA, LLC is an Investment Advisory Firm.

RTHSBF, LLC is a Broker-Dealer (B/D) Firm.

RTHLIP, LLC is an Insurance Brokerage/Agency Firm.

RTHFEC, LLC is a Financial & Estate Consulting Firm that earns Fees from Consultative work provided.

By (based on) legal and regulatory-structured design, these entities do not cross or overlap in the kinds of services they provide (additional information RE: Conflicts Of Interests is disclosed at Item-Section #10).

RTHSBF, LLC is only an "Applications-Way" Broker Dealer. RTHSBF, LLC only earns and receives income from Independent-Third Party "Prospectus-Regulatory-Price-Structured" placements. All of the other various kinds of earnings that traditional B/Ds earn do not exist in RTHSBF, LLC. Basically, if a FAO buys an Issuer's product (Mutual Fund, Variable Annuity, etc) through RTHSBF, LLC, the FAO is agreeing to compensate RTHSBF, LLC according to the independent Issuer's Compensation design ("sales load") as formulated by the independent Issuer and disclosed in the Issuer's Prospectus. This B/D design removes the normal Compensation Conflicts Of Interests issues that exist between Fees & Compensation – by Client's Design, with Client confirming fairness.

When a client or customer wishes to acquire a financial product that is offered through Broker-Dealers, access to these types of products usually requires the Client/Customer to incur a Commission or Basis-Points cost charge (these are called "Cost-Loaded" products). When a Client/Customer instead acquires a "No-Load" product (which means, the product is acquired directly from the product-issuer, and not through a broker dealer firm) the Client/Customer then typically avoids all of (or sometimes most of) a Commission or Basis-Points cost charge. If a Client/Customer selects a "Cost-Loaded" product, and if or when the Client/Customer acquires its product from RT Hickman Securities Brokerage Firm, LLC (RTHSBF, LLC), RTHSBF, LLC then receives this compensation. The RTHFC do not require or specifically recommend Clients or Customers to acquire "Cost-Loaded" products, nor, to acquire products specifically from RTHSBF, LLC. But if or when a Client/Customer engages RTHRIA, LLC and then also proceeds to acquire a "Cost-Loaded" product from RTHSBF, LLC – this (obviously) presents a situation of Conflicts Of Interests which may not, or may, be acceptable to the Client/Customer (and either way, in every case, proven to be in the best interest of the Client/Customer, based on the Client/Customer's executed "Suitability Statement Form"). Basically, the Conflicts that must be addressed are:

1. If possible, would the Client/Customer prefer to acquire a "No-Load" product; and,
2. If the Client/Customer intentionally desires or must acquire a "Cost-Loaded" product, and does so from RTHSBF, LLC – would the Client/Customer enter a situation of being unfairly cost-charged (such as an unjustifiable or improper "Double-Charge")?

Continued on next page.

(Item-Section #5, continued)

To remove these potentially unfair or detrimental "Conflicts Of Interests" effects from RTH's services with Customer/Clients, RTH formally and procedurally does so through the following RTH advance-disclosure documents (which accompany this brochure) entitled\*:

- "RTHRIA, LLC Investment Advisory Services Engagement Agreement, With Investment Advisory Services Schedule of Investment Advisory Fees;" and,
- "How Clients Receive Services and Work With The Group of RT Hickman Financial Companies;" and,
- "RTHFC Ethical Policy and Procedure for Avoiding "Double-Charges" To A Customer or Client When Financial Implementations Are Done;" and,
- "The RTHFC Financial & Estate Consulting Services and Financial Vehicle/Product Implementation Services Engagement Agreement."

These formal documents serve to inform, address, and remove any potentially unfair dealings with Client/Customers, while preserving and investor's "Right To Choose Investment and Investment-Provider" (in tact). Every client or customer is required to read these RTH advance-disclosure documents prior to investing. Please refer to them in Item-Section: "Part 2B Brochure Supplement: Agreement & Account Form Reference Examples."

In addition, issues of Conflicts of Interests are intensively addressed in every client's "Customer Suitability Statement" as executed by Client/Customer and provided to RTH.

\*Refer also to Item-Sections #10, 11, &12 – controls over potential Conflicts Of Interests , Ethical procedures, & controls over potential compensation conflicts.

**INVESTMENT ADVISORY SERVICES  
SCHEDULE OF INVESTMENT ADVISORY FEES ("Fee Schedule")**

- S-1. Advisory fees will be assessed based on an annual percentage of the market value of the net assets of Advisory Client's Account. All Fee structures are negotiated with each Client, and implemented via their "Customer Suitability Statement" and Agreement document(s) with RTHRIA. Pre-investment educational conferences may be billed to client based on an hourly rate for such consultation time incurred, or on a Project-By-Project basis at mutually-agreed prices. Also, occasionally clients pay fees for financial planning, with sometimes apportioning (at clients discretion) a part of such fees for Investment Advisory work, and sometimes visa-versa (at clients discretion). These arrangements are mutually-agreed when such compensation designs are requested by clients.

Continued on next page.

(Item-Section #5, continued)

- S-2. Other than when a Qualified (Sophisticated) Investor engages RTHRIA, LLC for a Proprietary Trading Program, Performance Fee designs are not specifically offered by RTHRIA, LLC. (What this means is that the Advisor shall NOT be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client). If a client designs and requests (in writing) a Performance Fee design, we will prudently act to accommodate the client pursuant to acknowledged client understanding, and in accord with an arrangement that is mutually-beneficial.
- S-3. When the Advisory Client selects using Professional Money Managers (such as Mutual Funds), Client hereby understands that fees earned by Advisor through this form of money management shall be disclosed in a Prospectus (or, if applicable, a similar regulatory-approved disclosure document). In using this form of investment, Advisory Client will be required to sign a Prospectus Receipt. An example Prospectus Receipt is enclosed in the accompanying Part 2B Brochure Supplement: Agreement & Account Form Reference Examples.

Disclosure Of Differences Between  
Fees Assessed For Investment Advisory Services  
-VS-

Assessment Of Securities Representative Placement Costs

When financial products (securities) are sold/placed to a client through a securities representative, such transactions are an activity that is regulated through the oversight of a Broker-Dealer. Therefore, such placements are effectuated through a Broker-Dealer, and earnings on such placement transactions are effectuated through a Broker-Dealer.

When financial products (securities) are purchased directly by a client, such purchases are not effectuated through the particular Broker-Dealer of the particular Securities Representative. Advisory Client decides which avenue of purchase is suitable for them. If/when client decides to purchase financial products not through the Broker-Dealer utilized by R. T. Hickman, client may then engage RTHRIA, LLC on a Fee Basis pursuant to the RTHRIA, LLC Investment Advisory Services Engagement Agreement.

When financial product placements are effectuated through the Advisor's Broker-Dealer (R. T. Hickman Securities Brokerage Firm, LLC with Robert T. Hickman as a Securities Representative) such placement costs assessed shall be paid to RTHSBF. RTHSBF will then pay a portion of such earnings to Robert T. Hickman as a Registered Representative of RTHSBF.

The amount of Commission paid to Robert T. Hickman (via RTHSBF) may or may not be sufficient in amount to cover this agreement's "Minimum Amount Of Compensation Rule." \* This outcome typically arises when a client purchases a small quantity of Investments, and thus, the Commission paid to R. T.

Continued on next page.

(Item-Section #5, continued)

Hickman is a small amount (inadequate). In this typical scenario, client may have requested R. T. Hickman to perform various financial and product research analyses which result in a total value of work amount that is greater than the amount of Sales Commission payment. In such cases, this agreement's "Minimum Amount Of Compensation Rule" would apply.

As evidenced by a signed Prospectus Receipt, Client confirms understanding that Securities Representative Placement Costs (commonly known as "Commissions," "Front-End Sales Charges," "Contingent Deferred (Back-End) Sales Charges," or, "12b-1 Asset-Based-Charges") represent costs that apply to the sale/placement of an investment. Securities Representative Placement Costs (SRPCs) are therefore understood to have a different meaning than fees. Fees are assessed for investment advisory efforts. SRPCs are assessed for sale/placement efforts. Both cost types are within the realm of (the subject of) Investment Advisory Compensation.

**\* MINIMUM AMOUNT OF COMPENSATION RULE**

RTHRIA, LLC endeavors to be of service to clients of any size. In every engagement, RTHRIA, LLC must ascertain that sufficient profit is yielded out of each engagement so that engagements are not performed at a loss. An averaged hourly rate is usually used as gauge (or sensor) for determining sufficient profitability. In the event that a Commission Payment Arrangement and/or an Annual Percentage Fee Payment Arrangement does not produce an amount which at least achieves our firm's minimum necessary hourly rate (relative to the billable value of the total hours of services provided to client), then R. T. Hickman may assess client for such shortfall amounts. Upon mutual agreement, any unearned fees which should be returned to client will promptly be returned by R. T. Hickman (within 10 business days after mutual understanding and agreement).

**How Fees Are Paid (Processed),  
and why no Investment Adviser Fees constitute "Prepaid Fees"**

RTHRIA, LLC requests and processes Fees via deduction from each Financial Account pursuant to formally advance-agreed terms. Fees are charged monthly, in whole-month calculations only (RTHRIA, LLC does not provide partial-month pro-rata calculations and Client agrees that whole-month Fees do not represent "Prepaid Fees"). For accounts into which Clients do not have perpetual-view capability, and subject to Client's approval, RTHRIA, LLC requests permission to advance-send each monthly charge calculation to each Client prior to Fee extraction. The logical and legitimate reasons for RTHRIA, LLC applying this Fee Design and Payment Procedure is explained and formally advance-agreed to (as a part of Suitability Confirmation) with Client. FAOs are to distinguish here that RTHRIA, LLC is not granted a Power to Execute Distributions from Client's account. RTHRIA, LLC and the RTHFC do not adopt powers which would enable RTH to execute Distributions from Client's account.

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(Item-Section #5, continued)

### Third Party Fees

Financial Accounts usually also consist of Third Party operations that are independent of the RTHFC. Common examples of Third Parties are: Custodian Firms or Institutions, Clearing Firms, Marketplace Exchanges, Mutual Funds, & Insurance Companies. Before a Client opens an Account with RTHRIA, LLC (or any RTHFC), each relative Third Party Fee Schedules are provided for Client to also review and accept as a part of Suitability Confirmation.

### Regulatory Cost-Loaded Financial Product Placements

The aforementioned section entitled "Disclosure Of Differences Between Fees Assessed For Investment Advisory Services –vs- Assessment Of Securities Representative Placement Costs" explains this concept. RTHRIA, LLC and the RTHFC do not undertake these kinds of placements in ways which form Conflicts Of Interests onto Clients. The choice of acquiring Cost-Loaded products is entirely left to all Clients, and confirmed through Suitability Diagnostics. Clients may acquire Cost-Loaded Products anywhere, there is no mandate for these products to be acquired from any RTHFC. However, as in the proper and necessary mission of preserving ethical, fair, and legitimate business procedures, all Clients are to bear-in-mind RTHRIA, LLC's "Minimum Amount Of Compensation Rule." For example: if we (any RTHFC) are engaged for Consultative work which constructs Suitability of a Cost-Loaded Product Placement, but then Client decides to make the acquisition elsewhere, the legitimate and ethical responsibility for the Client to do would be to pay for the Consultative work performed.

### Combination-Fee Client Designs

Clients are to distinguish that RTHRIA, LLC does not charge Commission Markups in addition to Fees. From our Clients Suitability Designs and choices, when the RTHFC receive both Fees and Commissions, pursuant to the regulatory requirements of each relative set of "Books Of Rules" (refer to Item-Section#4), Client/Customer Suitability Diagnostics are prepared. According to Client's Suitability criteria, but also in accordance with mandatory-regulatory ("Books Of Rules") compliance procedures, reductions of Advisory Fees to offset Commissions or Markups may (or may not) be permissible. The RTHFC do not prohibit legitimately-based fee reductions. (For further clarification, refer to page-3 of the RTHFC document entitled "Ethical Policy and Procedure for avoiding "Double Charges" to Client when Financial Implementations are done"; see Item-Section #10). However, Clients are to bear-in-mind that usually the RTHFC are not allowed to change Regulatory Cost-Loaded or Designed financial implementations; and that also, for legitimate and preservative reasons (which Client finds fair and agreeable), the RTHFC feature a "Minimum Amount Of Compensation Rule."

Continued on next page.



(Item-Section #5, continued)

MISCELLANEOUS

- RTHSBF, LLC is a Registered Broker-Dealer under the Securities Exchange Act of 1934 with State CRD registrations (refer to Item-Section-4).
- RTHRIA, LLC does not earn more than 50% of revenues from Commissions and Other Compensation For The Sale Of Investment Products.
- Compensation provision designs made by Issuers (independent from the RTHFC) can be unsuitable for Clients and/or for the RTHFC. Compensation Designs of Issuers can have limitations, flaws, and possible non-compliance issues.
- Clients/FAOs should be in understanding that there can be improper ("Red Flag") reasons for underpaying as well as for overpaying.
- For further information about "basis point compensation" that is structured according to SEC Rule 12-b1, refer to: [www.sec.gov/rules/proposed](http://www.sec.gov/rules/proposed). In this area, specifically refer to File Number: S7-15-10.

SEC Form ADV  
Part 2

Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Item-6: Performance-Based Fees**

(Item-Section #6)

**Performance Fees**

Currently, the only Investment Placement (type of Investment Placement) in which RTH Clients are subjected to "Performance Fees" is when a Client utilizes a RTH Proprietary Trading Program Method. Only Qualified Eligible (sophisticated) types of Clients may invest within this type of Investment Method. These implementations follow Regulatory Exemption Procedures (for example: refer to the Commodity Futures Trading Commission Regulation 4.7). They are implemented through specific Agreement with each Investor, with each Investor providing their "Customer Suitability Statement" (a workpaper-set prepared by Client in which they diagnose and frame their own financial suitability diagnostics and confirmation). Therein, with performance-based fees diagnosed, these fees are confirmed as being nondiscriminatory, without unacceptable Conflicts Of Interests suitable and integral. In addition, Clients having these Accounts are allowed perpetual viewing into their Account(s) for ongoing integrity-monitoring (via an Independent Custodian). RTH avails a way for Clients to inspect or "spot-check" the Trading for Integrity through secure methods.

These accounts are not discriminatory, do not consist of conflicts between Investors, nor function in conflict as an incentive in which they are favored and therefore cause disadvantage in comparison to non-performance-based accounts. All RTHFC accounts are constructed so that there are no cross-conflicts between different types of Investor Accounts. Each Client's Suitability Statement confirms Client's evaluation and acceptance of Risk. In addition, perpetual "Best Execution" monitoring procedures are applied to every transaction for integrity-assurance with regulatory-prescribed records prepared.

RTH does not offer Investment Services in two or more differently priced versions for the same service. This conflict (of construct) is not done and does not exist in RTHFC offerings. (RTH does not offer "Side-By-Side" service arrangements).

## **Item-7: Types of Clients**

(Item-Section #7)

### **TYPES OF CLIENTS**

- Corporations, Business Institutions;
- Pension Plans, Profit Sharing Plans, etc. (including Union Plans);
- Trusts, Estates, Foundations/Charitable Organizations;
- Individuals (usually High Net Worth &/or Complex Cases);
- Client-types that qualify under Investment and/or Commodity Regulations as Qualified Eligible/Sophisticated Persons/Investors.

### **DISTINCTION**

Clients seeking to be suited with “off-the-shelf/buy-on-line” types of Financial Account designs and Portfolios may not be benefitted by the offerings of RTHFC/RTHRIA,LLC.

SEC Form ADV  
Part 2

Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Item-8:**

# **Methods, Strategies, & Loss Risks**

(Item-Section #8)

## Methods Of Analysis, Investment Strategies, and Loss Risks

### \*\*\*CAUTIONARY STATEMENTS\*\*\*

- Investing in securities involves **RISK OF LOSS** that every prospective investor should first be prepared to bear.
- Trading in Security Futures involves **RISK** and may result in potentially **UNLIMITED LOSSES** that are greater than the amount you deposited. Also, the risk of loss in trading **Commodities** can be substantial.

The RTHFC offer a wide range of financial methods. The Risks disclosed in this Item-Section #8 are more-so relative to Securities and Financial Contracts (Commodities, Futures, Options) Investments, (Instruments, or Vehicles, etc), but some Risk disclosures are also relative to the Broader Financial Markets wherein financial accounts (FAs) exist. Any Financial Account Owner (FAO) that proceeds to have an implementation through RTHRIA,LLC (or any RTHFC) must first prepare a "Customer Suitability Statement" where in the Risks specifically particular to the FAO are diagnosed and cleared for "Suitability." Therefore, the Risks disclosed in this Item-Section-8 serve as a first-stage, generic diagnostic review which FAOs must accept before proceeding to have an implementation done by RTHRIA,LLC (or the RTHFC). These Risks are to be studied carefully. Some may be controllable or manageable, while others are not. Those of material concern to each particular FAO are to be noted-aside and discussed with RTH prior to proceeding into any financial implementation with any RTHFC. This R. T. Hickman method of Suitability Confirmation also extends into each Client's/FAO's personal "Business Continuity Plan Instruction Letter." (Refer to Part 2B Brochure Supplement-Example Agreements/Forms area).

Each Investor must evaluate all Risks and find them as tolerable but also suitable prior to investing, with the potential for "downvaluations" occurring within the Account.

With respect to Investor-Client positions in Cash (meaning Investors "holding" a defensive position in Cash or Cash Equivalents), all self-directing investors (not RT Hickman) determine the allocated magnitude of their defensive positions.

### Typical Investment Strategies and Methods Of Analysis Provided

- For Nondiscretionary, Nonproprietary types of Investment arrangements. Typical significant methods:
  - Individual security analyses are delegated to third party Professional Managers and Security Analysts.

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(Item-Section #8, continued)

- For Discretionary, Proprietary (trading program) types of Investment arrangements. Typical significant methods:
- Usually, Broad-Based "Securities" Indices (BBSIs) of Unit Investment Securities (such as ETFs), Options thereon, Futures Contracts and/or Options on BBSI Futures Contracts. All instruments being exchange-listed (in actively-priced legitimate marketplace/exchanges). Both Long and Short positioning strategies are deployed throughout a wide range of industry categories. The kinds of Position and trading strategies that are utilized are also wide-ranging. Selection and use of particular traded vehicles is based upon opportunities encountered from emerging and digested data. Singular or multiple positions may be used in strategic events. Sometimes positioning may be in the form of "SPREADS". Accordingly, the Trading Programs are not used as a tightly-defined trading strategy. The strategy of Trading Programs is to have them wide in latitude to afford strategy-variation. Usually, a RTHRIA Trading Program is not to function as a parallel to a benchmark.

#### OUR INTENT OF METHODS & STRATEGIES:

Please be in understanding that it is the intent of the RTHFC to help you so that you have ways to control and thereby actually have a means to assure perpetual growth of your financial assets.

#### Material Risks Within Investment Arrangements & Strategies

- All "Securities" have Risks; they are inherently risky, including Debt Securities (Bonds, Notes, etc). "Securities" are not "secure." Do not interpret the investment term "Securities" to mean "a safe place to put your money or savings."
- "Financial Accounts" of all types also have Risks.
- When you move your assets from your personal possession into any Financial Institution (see "Custody" in Item-Section-15), Financial Account, or Security, you take-on Risk (Risk Of Loss).

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(Item-Section #8, continued)

At the RTHFC, we consider any and every movement of personal assets into any of these third-party categories as an Asset Owner's decision to take-on Material Risk. Every FAO must first resolve within themselves if the amount of assets they intend to place into the risk-bearing-relams of any of these third-party-categories is acceptable/tolerable. For example: if you (a prospective FAO) transfer \$ \_\_\_\_\_ of your assets into any third party arrangement, but then you find they have locked their doors due to some form of financial difficulty, would you be able to tolerate this Risk, this consequence? Would you find such a risk-consequence "suitable"? This fundamental Risk exists in all Investment and Financial Account arrangements. Determining if Third Party Risks are tolerable and acceptable is also a part of the diagnostics that all Clients must undergo in preparation of their own "Customer Suitability Statements" when they proceed in implementations through the RTHFC.

#### **Risk of Pooled Asset Components:**

Commonly, (here explained with generalized conceptual wording), in some form and to varying degrees, FAOs use Investments that are "pooled" in their design. Every FAO is to understand that "pooling" designs and techniques can function in ways which, within the needs and objectives of the FAO, promote prosperity or otherwise conflict or distract from the FAO's prosperity mission. All FAOs are to be alert and vigilant in pooled-asset areas because some designs have proven to be very financially-destructive. The FAO is to understand and distinguish that RTHRIA, LLC and the RTHFC seek to utilize methods which promote prosperity, and seek to disband from contra-prosperity components. The RTHFC apply this methodology into wherever "pooled" designs are encountered, or where pooled calculations or mathematics are needed or required. Within all implementations, our Charts are sharply focused on how the RTHFC handle and treat pooled elements, and even more-so how any financial third party pooled areas could stem unsuitable Risk into our Client. It is important to distinguish that the RTHFC are not Maker-Issuers of "Pooled Funds" or "Mutual Funds." These types of Unitized Investments can be placed to you through the RTHFC, but, to date, no RTHFC is a "Fund-Maker." In other words, the RTHFC do not apply pooling-methods into the construction of "Funds" and then offer them as a Unitized Investment Fund Product to the public (see also "Risk of Dark Pool Effects" later in this Item-8 Section).

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(Item-Section #8, continued)

**Risk of Well-Intended, but Counter-Productive Financial Regulations, Regulators, and Legislation:**

Financial Regulation serves the "Public-Good." It comprises hundreds of bureaus and departments containing thousands of workers. Some of these bureaus have, by Congress, been granted with "legal immunity" (immunity from legal liability). The intent and missions of financial regulations are usually truly good. However, every FAO is to be alert and vigilant with respect to the effects that regulation could have upon each individual FAO. There can be severe unintended consequences, and some areas of regulation can be flawed or even corrupt. Besides "immunity," many (if not most) regulators issue "disclaimers" in their promulgations and undertakings. The risk of the financially destructive effects of Flawed Regulation exists in every financial account. Every FAO is to understand that when any assets are placed into any kind of financial account, the FAO decides and proceeds to "take-on" the risks of the potential destructive ramifications of flawed financial regulations.

Financial Regulations in our USA are constantly changing. They are separately departmentalized, not uniform, and not coordinated. Some are very poorly managed and controlled. Some are grossly underfunded. They are more-so configured for "Law Enforcement" instead of balanced with "Financial Science" and "Financial Engineering." Some financial market areas of our States and Federal-based divisions oppose a National Uniform Financial Code. The results of this "Separated Regulatory Protocol" are unintended consequences. America permits its people and entities to preserve a preeminent right to legally protect their own interests. America is not to configure "legal protection" so that it is out-of-reach of its Citizens, nor dangerously flawed. Accordingly, Clients/FAOs who engage the RTHFC are to understand that a very important Risk Management mission of the RTHFC is to perpetually endeavor to protect our Clients from the potential significant damaging effects of flawed regulations/unintended consequences (where visible/possible). We absolutely respect the Common-Good mission, but in ultimatum, the Common-Good of America exists from the wealth of its Citizens.

Before any Individual or Entity opens any Financial Account of material size or importance, the prospective FAO is to understand the following:

1. Good financial regulations serve with the effect of validly prospering individuals and entities. Bad or flawed financial regulations present the Risk of unintended financially-damaging consequences – a Risk which FAOs must protect themselves from.
2. Regulations do not always remove Risk. Sometimes they increase Risk to the FAO. Regulations may call-for, but do not achieve Suitability for the FAO. Serving a Client as a Fiduciary does not always remove Risk, nor assure achievement of Suitability for the FAO. Advanced-filed financial proposal data to Regulators does not remove Risk nor achieve suitability for the FAO. Sometimes regulatory procedures such as mandatory advance-filings of financial proposal data create safe-harbor for "special interests" (rather than for the Investing public) or have other Risk effects in conflict with the needs and objectives of FAOs.

Continued on next page.

(Item-Section #8, continued)

3. Some categories or divisions within America's financial marketplaces have been granted the authority to regulate themselves. For example, Securities Exchanges regulate themselves (they write their own Books of Rules).

4. It is impossible to remove all Risks from any FAO. Having Financial Accounts or proposals requires the FAO to take-on Risk. The imperative is if the FAO determines the Risks taken-on are "Suitable." Taking-on unsuitable Risk is a form of financial self-destruction.

**Risk of "Fiduciary Duty or Obligation" MISINTERPRETATIONS:**

It is imperative for all FAOs to understand that in any and all places where "Fiduciary Duty or Obligations" exist (regardless of whether in persons or any kinds of entities, including the highest government authorities), Fiduciary protocols are to not be viewed as a means that removes Risks and Flaws. Fiduciary protocols intend to increase integrity, but fiduciary settings can also have the effect of creating new flaws and Risks. Buyer Beware: claims to fiduciary duty can be used as an exploitative device, commonly in "business-competitive" or "conflicts-of-interests" areas. More preeminently, FAOs must strive for their own particular Suitability Assurances. Further distinguish: a "Fiduciary" setting does not guarantee or assure "Suitability." A Fiduciary cannot assure "Suitability" as you, the FAO, would personally actually determine it. This Risk is to be most-deeply understood when any FAO appoints a Power Of Attorney (such appointments usually require a Fiduciary duty).

**Risks of "Disclaimers" that are usually mandated for acceptance before any FAO may acquire a Financial Account/Financial Implementation:**

Important distinctions:

Some "Disclaimers" are legitimate, some are not, (the RTHFC are not Judges over the laws of State and Country). Regardless, of far more importance is whether or not any relative "Disclaimer" is suitable and acceptable to you.

**First, at the Financial Regulatory level:**

Regulators use legal enforcement for compliance with their mandatory Books of Rules, while implementing and enforcing their procedures through "Disclaimers" sometimes even under Congressional granted immunity. Although this construct may be of good intention for the Public-Good, every FAO is here alerted: this construct (regulatory design) presents Risk to the FAO.

**EXAMPLE:**

Some "Disclaimers" of Regulators existing within Books of Rules/Books of Law present wording such as:

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(Item-Section #8, continued)

..."Compliance with State rules does not constitute compliance with our (the issuing Regulator's) rules"

or

..."Compliance with our rules does not constitute compliance with State rules."

..."Refer to State rules to determine procedures you must follow to be compliant with your State."

What these types of Disclaimers are actually saying is:

1. The relative Regulator requires your compliance with their rules;
2. The State (location of your Financial Account and thus your Rights To Your Property) require you to comply with their (State) rules;
3. If you comply with the Regulator(s) rules relative to your Financial Account (or financial business undertakings), it does not mean that you are complying with your State(s) rules. The relative Regulators procedures have not been designed to assure and protect you from the possibility of failing to comply with your State's rule; and therefore the Financial Account you established could be within a faulty legal structure, and without a proper format of legal safeguards. Note that (in situations of flawed regulation) a State may be empowered to freeze, put lien upon, subject to automatic tax-withholding extraction, or to automatically take possession of your Financial Account (your property).

If a FAO (and also the FAO's hired Professional Financial Practitioner) is ever financially-damaged or quality-of-life-damaged by a flaw (or corruption) of financial regulation, the actions and resulting unintended consequences from the Regulator are "Disclaimed." Accordingly, FAOs are to look at the "Disclaimers" posted or promulgated in every Book of Rules that have application to the type of financial account the FAO desires to open, to determine if the potential effects (this kind of Risk) upon the FAO are suitable.

**Second, "Disclaimers" within the Internet Realm, including all Utility and electronic provisional Financial Market configurations (including builders and servicers) therein:**

These third parties transmit and or hold all or components of FAO assets; they all issue "Disclaimers;" and many of them are granted exemption from being registered under a Financial Regulator. Accordingly, FAOs are to look at the "Disclaimers" posted in the Terms of every primary and secondary Internet Realm provider facilitating the type of financial account the FAO desires to open, to determine if the potential effects upon the FAO are suitable.

Prospective FAOs are to consider that the RTHFC have years of direct experience in developing methods to minimize the Internet Realm risk and the effects of web-based permitted (dangerously permitted) financial activities therein. However, RTH can only apply security-methods within RTH computers.

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**Third, "Disclaimers" within each prospective financial implementation or financial service of interest to FAOs:**

Financial product or service providers ("Issuers") are required to (in documentary form) advance disclose their "Disclaimers" to all prospective Clients or Customers. With respect to RTHRIA, LLC (and the RTHFC), within this Form ADV Brochure Document, at each disclosure item area or offering, we feature "Disclaimers." Furthermore, within each Client's "Customer Suitability Statement," where relative, RTH Disclaimers are posted. Third party Issuers (for example, Mutual Fund Companies) post their "Disclaimers" within their Disclosure Documents (such as in "Prospectuses"). FAOs must find every relative "Disclaimer" to be suitable and acceptable. Disclaimers that are not legitimate represent an exhibited departure from a "Duty To Care." Legitimate Disclaimers are rightly presented when they continue to preserve "Duty of Care" vigilance. FAOs must carefully discern this difference. Another similar Risk area of potential illegitimate use or construct are "Subordination Clauses." Similar caution and discernment is called-for in these service relationship conditions.

**Risks of Third Party Issuers and their Offering Disclosure Documents:**

Financial regulations require RTH to "vet" all RTH-implemented Financial Product Makers, Clearing Firms, Custodian Firms, (and any investment-component third party firm) prior to offering financial implementations to Client/Customers. Although RTH applies vetting procedures, access to needed information is commonly limited due to inadequate transparency. Also, RTH does not possess authority to mandate information from third parties (RTH does not have "authority-of-access"). *Accordingly, the Investor/Client/Customer is hereby strongly cautioned that vetting is only a "best-efforts" undertaking at RTH. It is not a procedure to be relied-on for the removal of all potential flaws and risks.*

Financial Regulators usually do have "authority-of-access," however, the Investor is to discern that not all financial firms advance-file their Offerings to financial regulators. Of the ones filed, regulatory Reviewers usually do not verify or place an "approval" onto the Offering/Proposal. In addition, other independent Reviewers that do have "authority-of-access" to the data of financial firms (such as Audit/CPA firms and Rating Agencies) generate information which is inadequate to forestall Risk.

No Client or Investor should ever hesitate to directly call any Investment Maker/Issuer for a copy of their "proof-of-advance-filing-to-Financial Regulator" documentation for any Investment Offering they are considering to acquire. RTH strongly suggests that you carefully conceivably study the maximum potential risk(s) inherent in any investment being considered by you, and to not proceed to invest until you have determined that you can suitably tolerate the magnitude of the investment's maximum potential risk outcome (including the possibility of risks that can be unforeseeable and unpredictable).

RTHRIA, LLC and the RT Hickman Financial Companies (the RTHFC) do not find the process of implementing investments, trading programs, insurances, (i.e. – financial placements) through the use

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of Disclosure Documents to be adequately protective or entirely reliable. The RTHFC now instead provide implementations according to a method of "Client-Specific Prescription." Each Client in each implementation prescribes (imposes) a "Customer Suitability Statement" and an "Agreement Document" (these documents being Specific-Prescription records between the Client and us). Although this Form ADV does serve as a Disclosure Document, without execution of client-prescribed Suitability and Agreement documents, this sole Form ADV is inadequate for investment or insurance implementations (including Trading Programs). Product-specific Disclosure Documents from Issuers also are not treated (at the RTHFC) as adequately reliable without the added RT Hickman procedures of "Client-Specific Prescription." Clients that opt to solely rely on any Issuer's Disclosure Documents when working with us, do so at their own risk. The RTHFC disclaim responsibility for Clients that base their implementation(s) through sole reliance on disclosure documents (without the method of "Client-Specific Prescription").

One RISK of relying solely on Disclosure Documents in financial implementations is the risk of omitted or distorted Material Diagnostic Factors. It is always possible for a Disclosure Document to omit a Material Diagnostic Factor. Adding to this risk is the challenge of each Client having their own unique suitability needs. It is not possible for a Disclosure Document to address all unique Client suitability needs. Clients in financial undertakings are to also discern that Filing Approval Desks for Disclosure Documents or Financial Vehicle Communications commonly enforce FORM over SUBSTANCE. Disclosure Documents may be legally-proper in FORM, but inadequate or distorted with respect to actual SUBSTANCE. Clients are hereby alerted that this inadequacy certainly does pose a material RISK.

Clients are to distinguish that when doing implementations with the RTHFC, RT Hickman strives for Substance OVER Form. Financial Disclosure Documents or Communications are to be viewed for the purpose of gathering "Identification Information" about each proposal, but with the aforementioned limitations understood. Clients are to further understand that Communication Documents filed to Financial Regulators usually bear a Disclaimer from the Regulator as to the adequacy of the Proposal. Also, Clients are to also understand that some areas of Financial Regulations EXEMPT the use of Disclosure Documents. In view of these various limitations, the RTHFC are dedicated to the utilization of methods of "Client-Specific Prescription."

Prospective Clients/FAOs, prior to placing funds into any new Account, are here alerted to extra-carefully study the "DISCLAIMERS" sections within the Disclosure Documents of the Custodian or Clearing Firms that Client/FAO intends to use. Clients/FAOs should directly further request from Custodian or Clearing Firms "DISCLAIMERS" these firms may have also placed upon the Client's Account Representative(s), Advisors, Consultants, etc. In all these categories, the prospective FAO must look for areas where Custodian or Clearing Firms may be seeking to disavow themselves from their inherent asset-holding and safeguarding duties. All financial firms issue Disclaimers, however some may be just too-risky or too extreme/ unacceptable to the prospective FAO.

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FAOs are to also understand that Offering or Statement Disclosure Documents contain pass-through flaws and risks, some of which can be quite material. This is true even when advance-filed and "stamped," "registered," or "cleared" through a Regulator. Every FAO is hereby alerted: Disclosure Documents of any and all types are not flawless. They do not achieve specific Suitability for the unique specifications of each Client/Customer. FAOs are to also understand that in many areas of financial markets, Disclosure Documents are allowed to contain only what Regulation prescribes or permits, this further demonstrating why Disclosure Documents are not for achievement of Client-specific Suitability attainment. Furthermore, sometimes Regulatory-disallowed disclosures result in the unintended consequence of loss or greater loss to the FAO. In situations where a Regulator sets into rule that a Client's acceptance of a Disclosure Document establishes Suitability, Clients are to understand that such pronouncement and procedure is only in service to the "Common-Good," it does not achieve your own personal Suitability attainment.

Understanding these Distinctions,  
FAOs are hereby cautioned:

*Do not take-on Risk beyond your own personal tolerance to lose money (assets). Instead, pursue ways of suitable perpetual controlled growth towards prosperity.*

### **Material Risks of Securities, Contracts, and Financial Accounts in which they are Held**

The substance of Securities (the component elements of which Securities consist of) are always changing in value. The depictions of what Securities are worth are imperfect. In the kind of placements &/or services that Clients acquire from RTHRIA, LLC (see Item-Section-4), Accounts consist of Securities that are traded (bought and sold) on Exchanges. Values or price changes therein occur through real-time bids, asks, buys, & sells, including those which occur via the Internet Realm. The fundamental material risk to consider is this: you are considering taking a Silver Dollar that is safe within your pocket, bringing it to a third-party-place away from yourself, and placing it (transforming it) into a value-volatile instrument called a "Security" or "Securities." Also, the third-party-place that you bring your Silver Dollar to (the Custodian financial institution) is made (capitalized) out of "Securities." FAOs are Investors who find this type of arrangement "Suitable."

Each kind of Investment features its own composition of Risk.  
These relative risks are advance-disclosed in pre-placement types of offering documents  
(a "Prospectus" is one common example).

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Generally, as relative to RTHRIA, LLC's Item-Section-4 offerings,  
additional Material Risks are outlined here as follows:

**SOME GENERAL ELEMENTS OF RISKS IN THE PARAMETERS OF SECURITIES, CONTRACTS,  
AND CASH (CASH-EQUIVALENT) INVESTMENT PORTFOLIOS/ACCOUNTS**

(Review these Risks to understand the marketplace Environment and Vulnerabilities  
which could pertain to securities investments)

**Business and Industry Risk** – uncertainty due to firm or industry related factors.

**Currency Risk** – risk that your investment could lose value as a result of a decline in currency value.

**Liquidity Risk** – risk that you won't be able to sell an investment at a reasonable price within a reasonable time period.

**Inflation Risk** – risk that inflation will reduce the real value of your investment.

**Market Risk** – risk that the general market or economic environment will cause an investment to fluctuate.

**Political Risk** – risk of a political change affecting the value of an investment (nationalization; new regulations).

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When an Investor proceeds to open an account, the following "DIAGRAM OF PARTIES" shall usually facilitate the Account configuration. The Investor is to understand that the Risks of the parties in Category-2 and Category-3 (BELOW) are not controlled or directly managed by RTHRIA,LLC:

**TYPICAL DIAGRAM OF PARTIES TO CLIENT FINANCIAL ACCOUNTS:**

(Bear-in-mind this network of serving Parties as you review the Risks of Investments)

**CATEGORY-1 PARTIES**

<b>YOU</b> (the Investment Account Owner)	<i>and</i>	<b>RTHRIA,LLC</b> (your IA/CTA) and with (when applicable) <b>RTHFEC</b> (assisting in reporting information to you each month).
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**CATEGORY-2 PARTIES**

**FCM/Clearing Firm (with or without their affiliated Holding Firms and Computer Network Interface Provider Firms):**

The FCM's network, via persons and computers, are live-time-linked to the Securities and Contracts Exchanges. The FCM and its network are Third Party Firms. RTHRIA,LLC and RTHFCs are independent of the FCM and its network. RTHRIA,LLC and the RTHFC are not employed by these Firms. RTHRIA,LLC is permitted to route transactions to the FCM either via a Computer Interface Program by which the FCM permits RTHRIA,LLC to download its Trade Entry Screen Configurations into RT Hickman computers (for RTHRIA,LLC to enter Buys or Sells), and/or by RTHRIA,LLC placing Trade (Order) Entries via telecom venues.

**CATEGORY-3 PARTIES**

**The Commodities and Clearinghouses (via Exchanges), and Financial Custodian Entities (FCEs) qualified to HOLD and SAFEKEEP actual underlying funds or assets to positions of CATEGORY-2 parties for accounts and customers.**

**Investor finds suitable having this three-party configuration in his or her account.**

**Counterparty Creditworthiness (Creditworthiness Risk)** this risk also exists with respect to the Category-2 and Category-3 Counterparties. Investors are to study the Creditworthiness of the Category-2 and Category-3 Counterparties by reference to **their** published audited financial statements. Financial statements of Custodian, Clearing, and Exchange institutions are disclosed at each of their web site addresses. A practical way to locate Corporate Headquarter contact resources for any financial entity is to go to [www.sec.gov/edgar/searchedgar/webusers.htm](http://www.sec.gov/edgar/searchedgar/webusers.htm). Investors are to remember and consider from the great Sub-Prime mortgage dilemma of 2007 that Financial Institution Creditworthiness Risk can elevate market-wide during times of market contagions.

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**Risks Within "Defensive-Position" Accounts:**

Money Market accounts (or similar Cash-Equivalent Funds such as Clearing Firm Cash Position Accounts): Money Market type of funds are designed to (or may intend to) preserve the value of your originally-invested dollars and any added/earned dollars by keeping them perfectly stable in value. But they may NOT be backed by any guarantee to ascertain perfect value stability. If a guarantee exists, there also are Risks within the provider(s) of the guarantee. An investor can look at the historical data of a Money Market in its Prospectus information in order to see how well a Money Market preserved past values over past years (usually, Money Market Accounts feature a \$1.00 per share Net Asset Value, which historically has never changed). Past results do not guarantee what future results may be.

**In investments and cash portfolios; the particular general Risk/Concern is that your investment can lose PARTIAL Value or can lose ALL of its value without a possibility or Probability of recovery.**

**Equity Risks:**

Fluctuations in the value of equity securities cause the Net Asset Value (value per share) to change erratically. These fluctuations can be drastic from day to day. When an account is in the wrong position in a timeframe of unfavorable fluctuation, this causes a negative (unwanted) impact on your account. The Investor is to expect to encounter negative fluctuation experiences when investing.

**POTENTIAL EFFECTS OF "POSITION LIMITS" OR "PRICE LIMITS":**

The Securities and Commodities Commissions (via Exchanges) have trading "Position Limit" and "Price Limit" rules which govern size limits (quantity or price) of trading positions. "Limits" are decided jointly by these Commissions (specifically the SEC and the CFTC). "Position Limit" rules could have a restricting or limiting effect when desired total position sizes are disallowed because they exceed "LIMITS." In addition, "Price Limits" can also constrain the size of profit opportunities. It is to also be understood that the Commissions and Exchanges can change "Limit Rules" at any time. For a generic and academic understanding of what Position Limits are and how and why they are determined, you may refer to [www.sec.gov/rules/sro/pcx/34-49451\\_a5.pdf](http://www.sec.gov/rules/sro/pcx/34-49451_a5.pdf), and to [www.cftc.gov/industryoversight/marketssurveillance/speculativelimits.html](http://www.cftc.gov/industryoversight/marketssurveillance/speculativelimits.html). These limits are set first at the Commissions (commonly with participation of FINRA/NASD or other SROs), which are then implemented into and through all U.S. Market Centers/Exchanges. From these foundational Limits, FCMs and Floor Brokers then set their Limits. Please understand and distinguish that Limit Determinations are not a function of RTH.

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**Trade Execution Risks:**

There are risks in "executions" of trades. Before you read the rest of this section, for further information about Execution Risks, please refer to: "Trade Execution: What Every Investor Should Know" at [www.sec.gov/investor/pubs/tradexec.htm](http://www.sec.gov/investor/pubs/tradexec.htm).

**Trading Halts or Stoppages:** The Exchanges through which your accounts (your Funds) are traded can be Halted or can incur Stoppages. In such circumstances, there could be inability to purchase or sell which could prevent achievement of portfolio goals. Another dimension of Risk: In addition, Trade Halts, Stops, Unwinds, etc. applied by the Financial Regulators may be done with errors, resulting in losses or lost opportunities to you, the Financial Account Owner. In these situations, not only do you lose, but you usually have no Right of Claim for recovery. In these situations, filing of a "Protest" may not even be allowed.

**Failure of Utilities Infrastructure:** Trade transactions and delivery of timely information through the various networks of electronics, power supply, and telecommunications are vulnerable to occasional failure. Please understand that when a Market (Exchange) encounters a system breakdown, at such moments, entered Trades are (or can be) CANCELLED. Failures at critical moments could impede achievement of the Investor Objectives (systematic risk of No Fill or Fail-To-Fill). Also occasionally possible are times of "unlinked markets" within the resorting and providing FCM's interface system (wherein the risk exists of loss of accessibility to needed market sources for obtaining timely Trade Fills).

**Securities Availability/Liquidity Risks:** There resides a risk of potential significant disruption in position-fill availability. The investor is to understand that the conditions of securities marketplaces is a constantly-changing environment. This environment makes it impossible to guarantee availability of securities, contracts, (or units), when they are needed. There can be moments in which all needed securities or contracts could be unavailable or inaccessible. RTH is not an Assembler of marketplace-available securities or contracts, nor a direct-controller of the "Market Makers" (Market Centers) who are responsible for making securities and contracts available. Also understand that RTH is not a "Clearing Firm." However, in balance, the Investor is to also bear-in-mind that the Exchange Commissions do have in place MARKET CENTER EXECUTION QUALITY STANDARDS which these Firms are required to comply with.

**Short Sales Risk:** Short Sales are transactions in which your Investment Account sells Securities/Contracts that it does not own. To complete the transaction, your Investment Account must provide the securities to make delivery to the Buyer. Your account is then obligated to replace the securities by purchasing them at the market price at the time of replacement. The price at such time may be higher or lower than the price at which the securities were sold by your Investment Account. If the underlying securities go down in price between the time your investment Account sells them and buys them back, your Account will realize a gain on the transaction. Conversely, if the underlying securities go up in price during the period, your Account will realize a loss on the Transaction. The Risk of such price increases is the principal Risk of engaging in Short Sales.

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**Common FCM (Clearing Firm) Limitations of Prices Provided for Trades Ordered:** Clearing Firms do not warrant or guarantee that every Customer order will be executed at the best posted price. Some reasons: inability to access every market to fill a Trade Order; other Orders may trade ahead of Customer's Order and exhaust available volume at a posted price; exchanges or market makers may fail to honor their posted prices; exchanges may re-route customer orders out of automated execution systems for manual handling (in which case execution or representation of Customer's Order may be substantially delayed); or exchange rules, policies, procedures or decisions or system delays or failures may prevent Customer's order from being executed, may cause a delay in the execution of Customer's order, or may cause Customer's order not to be executed at the best price.

**Risk of "No-Locatable" Securities/Contracts to Cover a Short Sale:** This kind of Risk-scenario could be as follows: Prior to effecting a Short Sale, the Clearing Firm must have reasonable assurance that it will be able to borrow such Securities/Contracts on Customer's behalf to effect delivery of them to the Purchaser, if Clearing Firm is unable to borrow them, or unable to re-borrow them to satisfy a re-call notice from the Securities or Contracts Lender, then Clearing Firm may be required to buy-in pursuant to regulatory or clearing house rules. In event of inability to borrow, or re-borrow needed securities/contracts, the Clearing Firm, without Notice to Customer, proceeds to cover Customer's Short Position by purchasing the needed securities/contracts on the open market at the then-current market price and Customer is liable for any resulting losses and all associated costs by the Clearing Firm in making this Cover of the Short Sale.

**Risks of Improper Valuations of Assets Owned within your Portfolio(s):**

In owning a Financial Account, there exists an ongoing Risk that presented/reported values to the kinds of assets therein are inaccurate. The highest moment of concern about this Risk is when the FAO Buys or Sells each asset. FAOs face a Risk buys or Sells occurring at incorrect prices. Another dimension of Valuations Risk exists as Values are ongoingly reported and used as bases for important calculations such as attained profit or loss (performance), and, when costs are charged to a Financial Account based on Valued Positions. Every FAO is to understand that Valuations Risks exist in every Financial Account.

Accounts that contain illiquid, restricted, thinly traded, or private (non-publicly-traded) assets consist of a relatively higher degree of Valuations Risk than Accounts that hold "readily-marketable" assets.

RTHRIA, LLC (and the RTHFC) have specific procedures in place which serve to remove Valuation Inaccuracies. Subject to the Risks and limitations explained in previous sections of this Item-Section-8, FAOs are to understand that all RTHFC apply "Best Execution" procedures, and, with respect to moments of Valuation-settings, the RTHFC photo-capture independent (third party) marketplace reported prices for use as a basis to corroborate Valuations in Client accounts. Exception reports and responding Protests are made into record if/when encountered. However, FAOs must decide if they

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shall tolerate the risk of possible inherently flawed, passed-through Valuations Pricing which can exist in any kind of Marketplace. One major flaw all FAOs must consider before owing any Financial Account is the risk of omitted, excluded, or flawed participation in the constructs of Markets and their published prices therein. Some Markets can miss inclusion of transacted market participant data. Some are allowed to be blocked-out or omitted. Some include flawed pricings and/or flawed volumes. The RTHFC do not own, operate or make rules for Financial Exchanges, Marketplaces, or Price-Postings. Only "authorized accessors" are permitted within construction-of-pricing-chambers, most of which operate through electronic (computer) configurations. FAOs are to look at each Price/Value Reporter or Provider's disclosures of Assurances or Disclaimers with respect to the integrity of provided Valuations, and then gauge whether or not these portraits of Valuation Risks are tolerable, suitable, and acceptable. The RTHFC strive to work with assets that are readily-marketable and price-provable.

**Risk of dangerous posted "Bid" or "Ask" prices or values:**

Bad prices can be posted into collective data feeders, financial reporting systems, and marketplaces, generating the torrential risks of value distortions, falsely reported valuation levels, perpetuation of false volume participations, even stemming into systematic contagion. Market Trading Halts may not adequately protect the FAO from this Risk area.

**Risks of procedural orders-of-trade-fills flaws and conflicts:**

There can be procedural timing-of-processing (Order Fill) flaws, coordination failures, and conflicts through transmission venues such as Order Reception Desks and Cash Desks (such as Bank Wire Desks or Wire Venues). These components or venues are independent third parties (financial institutions). They are not within the RTHFC domain; the RTHFC do not control them. These flaws or conflicts can cause delays of Order Fills, which presents the Risk of unintended trade results. Generally speaking, FAOs are to be observant that this Risk is usually encountered in third party pooled environments.

**ADDRESSING THE POTENTIAL INHERENT SIGNIFICANT RISKS OF  
NOT GETTING ORDERS PROPERLY FILLED IN THE "BUYS" AND "SELLS" OF INVESTMENTS**

Before any Investor funds any kind of traded investment vehicle, the Investor must first understand the Risk of FAILURE OF GETTING FILLS FOR NEEDED TRADE ORDERS. RTHRIA (and the RTHFC) hereby emphasize that no Investor should proceed to Invest without first understanding this RISK, and further understand that when the Investor proceeds to do any kind of Investing via the RTHFC, the Investor does so in full assumption of this inherent market RISK.

Making or transacting investment positions requires use of available marketplace trading systems and methods (the Exchanges). These venues for executing transactions can fail or be flawed, thus causing unintended results to you, the Participant-Investor. When you proceed to open an Investment

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account of any kind via RTHRIA or any RTHFC, you do so agreeing to accept ALL of the inherent and disclosed Risks and Cautionary Statements of the proposed Investment, the Custodian, Clearing Facilities, FCMs, Exchanges, and relative Financial Regulators. The Investor also agrees to accepting the "Risk Of Failure(s) of Order-Fills for Needed Trades."

All traded Investments feature the "Risk of failure of getting Fills for needed Trade Orders." One prominent example is understood in the two different types of Trading Program Order Submitters that exist in the industry: (A) the Natural Person Investor-Trader, and, (B) the Unnatural (inhuman, computer-automatic) Trader. When Exchanges and Clearing Parties permit Order Fills by type-(B) Traders, before first executing all type-(A) submitted Trades, type-(A) Traders encounter and bear the Risk of "Fails-To-Fill" (Fails to receive needed Fills). One way this failure occurs is when type-(B) traders consume the needed Investment Vehicle, which would otherwise be available (as observed in Real Time) for the type-(A) Trader. This type of failure can occur relative to Quantity (Volume) and/or Price. The Investor is to understand that when RTHRIA is the provider of a Trading Program or Method, RTHRIA functions according to a type-(A) Trading Program. The magnitude of an RTHRIA-provided Investor-account encountering this Risk is relative to the effectiveness (or otherwise permissiveness) of Legislation, Regulatory Compliance Enforcement, and, effectiveness of Clearing and Custodian Party controls. RTH does not have any control over this Risk. However, (in contrast), those who pursue investing in type-(B) trades or trading programs bear an enormously greater Risk. Type-(B) trades and trading programs can be invalid, and possibly illegal (regardless of how popular or widely-used). Type-(B) investors are to understand that Unnatural Trade Orders can operate in ways similar to an electronic horse race, rather than as a legal Exchange in full respect of property rights issues and similar elements. As type-(B) trades are Filled in ways which trump Exchange and Financial Market legal principles, participating Investor-accounts experience a history of invalid trades, possibly with most being margined and leveraged. As this occurs, type-(B) historical investor statements may not depict actual account status and condition. The type-(B) investor bears a potential Risk Of Loss that extends potentially far beyond the Nominal (nominated) account size/investment amount. For example, if a type-(B) investor had nominated an account size of \$1,000,000., but then if at a later point in time a retroactive re-count of all historical trade fills becomes required to correct wrongly processed fills, with leverage effects (as example), the type-(B) investor could be called to contribute an additional \$9,000,000., ending up with a resulting downvaluation or closing account loss of \$10,000,000.

Another Risk similar to these "Type-A vs Type-B" example is the Risk that exists when "Out-Of-Publicly-Disclosed" (Dark Pool) trades occur in the same Public-Exchange-Traded investments being used by or for Clients. In this situation, the Investment Vehicle's Price and available Volume is affected (manipulated) by non-viewable "Dark Pool" trades. These situations present Risk to the Investor similar to that of the "Type-B" example. And, the Investor is to carefully consider that this Risk can come from Direct as well as Indirect correlative manipulations.

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The prospective Non-Dark-Pool Investor is to understand: Only in engagements of when a Client hires RTHRIA to specifically provide a trading method or a trading program (meaning, done solely by RTH) can RTHRIA promise provision of the type-(A) "Natural" Trading Program method. RTHRIA (and the RTHFC) are NOT providers of type-(B) "Unnatural" or "Dark Pool" Trading Programs or methods. Accordingly, RT Hickman trading programs or methods bear the Risk of failure of getting Fills for needed Trade Orders.

Investors are to distinguish that any investment a Client makes into any non-RT Hickman trading program or method may feature the aforementioned "Type-B" or "Dark Pool" risks.

Investors are to further be alerted that any disclosed information, rule or regulation regarding the integrity or quality of Trade Order Fills and Execution which does not address both "Price" AND "Assurance-Of-Adequacy/Legitimacy-Of-Volume and Availability," is potentially flawed. Assuring the integrity of only one of these two imperatives is inadequate. Such flaws can be enormously risky, and extend potentially beyond the amount of funds that the Investor intended (nominated) to actually have at Risk.

**Risk of Dark-Pool Effects:**

"Dark-Pools" are areas of financial marketplace assets where real time Value and Price validation data is blocked or omitted from the public or necessary market-participant-users. Financial Regulators may permit Dark Pool configurations throughout various kinds of financial marketplace assets, including Securities. These configurations call for FAOs to decide if they shall accept Dark Pools in a "blind trust" manner on the basis that the financial regulators can protect them from all material flaws. In such areas, the FAO must look for those who offer Guarantees of integrity -vs- those who offer Disclaimers and/or hold postures of immunity. The great Valuations Risk in Dark Pools is that without the entire participating price and volume components included in Real Time market data, Financial Accounts and Commerce proceeds according to inaccurate portraits (impossibility of entire validation). Since financial pools exist throughout the financial marketplaces, including under Regulator constructs or permissions, the FAO that proceeds to work with the RTHFC must find this Risk tolerable, suitable, and acceptable before proceeding with implementations. FAOs are to also discern that financial activities permitted under Regulation does not mean that the Regulator has actually and assuredly Removed Risk. Dark Pools may permit a degree of accessibility. Although transacted orders usually should be published data, some Dark Pools may gate-keep and/or require payment for access to data as it flows through Collective Data Feeder Systems. This presents the Risk of unfair timing of data-release-dissemination (an inherent systematic flaw). Although publication of price and volume data is an inherent fiduciary obligation of any price and volume reporter (which must be done in real time, at the same time, to the entire public), this fiduciary obligation does not remove the existing Risk of flawed data-release-dissemination.

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**When You Have a Margin Account:**

**(Introductory information points to Clients, Customers, and Investors  
who are interested in utilizing a Margin Account)**

- Clearing Firms may use the Securities you own in your Margin Account to lend them to other Investors. Generally speaking, Securities Lending Arrangements are configured by provisional financial market institutions to enable real-time transactional liquidity and perpetual fluidness in financial markets.
- If the Clearing Firm compensates you for the lending of your Securities, the Clearing Firm discloses this compensation directly to you in its Disclosure Documents (which may be provided via online (internet-reported) disclosures and/or via tangible documentary disclosures). However, the Margin Account Owner is to distinguish that Margin Account Owners are not themselves operating in business as a Securities Lender.
- Loaned Margin Account Securities, generally speaking, function through Contracts existing between the Clearing Firm(s) with counterparty Custodian and Clearing-Financing Banks.
- Your rights, and the promises or guarantees the Clearing Firm pledges to you regarding your Margin Account Securities are explained in the Clearing Firm's disclosure documents which are provided by the Clearing Firm directly to you (the Margin Account Owner). With respect to public exchange-traded and public market-traded financial assets, financial regulators and independent audit firms, via their authorities-of-access to this information, are the examiners of Securities Loan Agreements.
- Clients of RTH who possess Margin Accounts are to understand that no RT Hickman Company is a Clearing, Custodian, or Depository financial firm or institution. RTH is not a "Maker" of Margin Account Contracts. RTH does pursue, and does monitor for Best Execution and Suitability; but RTH is not a Maker or a party to Margin Accounts and Securities Lending Agreements or Arrangements.
- If a RTH Customer/Client opens a Margin Account through a RTH-offered Trading Program (or Asset Management Program or System), both RTH and the applicable Clearing Firm (or Futures Commission Merchant Firm) shall provide detailed Margin Account Disclosure and Educational/Informational documentation. Furthermore, affiliated documentation (such as "Margin Calls" and "The Risks of Using Financial Account Leverage") is also provided.
- **As with any and all investment strategies or methods, Investors are hereby distinctively cautioned to study the Risk Disclosures of Margin Accounts BEFORE using them.**

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YOU MUST DETERMINE THAT YOU ARE FINANCIALLY ABLE TO AFFORD HAVING YOUR FINANCIAL ASSETS IN YOUR MARGIN ACCOUNTS SUBJECTED TO THIS LIEN (PLEGGED COLLATERAL) CONDITION, according to the amount that you have decided to place into your Account. Furthermore, an Exchange's or Brokerage Firm's (FCM's) Margin Requirements are not to be interpreted as an adequate degree of safety constructed into your Account. Only you, the Account Owner/Investor are to determine what is adequate Risk. If you do not understand "Margin," "Exchange Margin Requirement Rules," "Brokerage Firm (FCM) Margin Requirement Rules," and "Leverage," DO NOT INVEST via a Margin Account.

**Margin Requirement Trade Execution Delay:** A Transaction Order could be delayed while a Clearing Firm Arrangement (to the Trade) formulates the correct Margin requirement status. Such an action could distract from the intended gain attempted in making the Trade. Deficient or non-encompassing Integrity-assuring Probes of Trade-Fill Realms, including all simultaneous links therein. There also resides the risk of applied subversive probe technology applications, such as "Frontrunnings" of Trade-Fills. Non-transparent (dark pool) trades are (obviously) a likely place for subversive probe application exploitations. Remember, not all trade-fill realms are 100% transparent and reportable for good (integrity- assuring) probe police-work. Accordingly, investors proceed to place their assets/finds into flawed or false price & volume market protocols.

**Risk of Unregulated (Bureaucratically unmonitored) Core Component Parties:** Categories of Core Component parties within Financial Marketplace constricts and configurations can operate within data-confidential and integrity-requiring (monetary) functions with exemption, exclusion, or omission from Regulatory oversight. This presents pockets-of-risk exposure to Financial Account Owners. (Some Examples: Utility Companies, Data Storage Companies, Facilitators of Delivery Transmissions, Technology Companies, Financial Data Provisional Companies, etc). The risks of these components may be impossible to predict or measure.

#### SELF-STUDY

A FAO who wishes to comprehensively study Regulated Margin Requirements may do so by referring to [www.finra.org](http://www.finra.org), within FINRA Manual sections 4210 and 4220.

Continue on next page.

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**Material Risks Within Discretionary  
(Proprietary Trading Program) Types of  
Investment Arrangements**

In addition to the previous disclosure section of potential Risks within Nondiscretionary Investment Account types, for an initial orientation and consideration, the prospective FAO/Investor is to carefully read the publication-library document entitled:

**"Risk Disclosure Statement For  
Security Futures Contracts"**

by resorting to:

<http://www.nfa.futures.org/NFA-compliance/publication-library/security-futures-disclosure.pdf>

This document points-out various important primary Risk Characteristics which Investors seeking to have a Discretionary (managed by third-party) Account should first be knowledgeable of.

The Investor is to understand that the Futures and Commodities industry publishes various informative documents about Risk Characteristics. Prospective discretionary FAOs, before proceeding to implement a new account, are to additionally study by reference to: <http://ecfr.gpoaccess.gov>, within Title 17:

1. Chapter-1 (Part-1), Section 1.55  
"Risk Disclosure Statement;" and,
2. Chapter-1 (Part-4), Section 4.31  
"Disclosure Document Delivery Rule;" and,
3. Chapter-1 (Part-33), Section 33.7  
"Options Disclosure Statement;" and,
4. Chapter-1 (Part-31), Section 31.11  
"Disclosure RE: Leverage Transactions.

If for any reason the prospective FAO/Investor is unable to retrieve and read the above references, the FAO/Investor is to send a request-memo to R. T. Hickman at facsimile# 1-201-880-8433. R. T. Hickman shall then generate these references and provide them.

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## **Risk of Counterfeit, Malevolent, and/or Malfunctioning Structural Operations**

FAOs are to always be alert to the Risk that providers of Financial Accounts could have components which function through "non-financially-registered/regulated" and/or even "counterfeit" operations. (Some operative areas could be devoid of integrity inspections). This Risk exposes the FAO to monetary and/or economic losses, potential ID and data theft damages, etc. Furthermore, within these realms, there can exist unregistered/unregulated data-accessors, or data-reporters. Generally speaking, before FAOs place their monies or assets into any third-party-entity (examples: financial trusts, retirement plans, any "Funds" of pooled-participant-investors), the FAO must first carefully examine the receiver for possible "non-financially-registered/regulated" operations.

### **Risk of Diminishment, Distortion, or Eradication of the Component-Pillars of financial marketplace integrity**

**(beware of eruptions, increases, or unintended consequences of these Systematic types of Risks):**

#### **POSSIBLE EXAMPLES:**

A nation can intensify financial regulations (a good change if done right, a dangerous/risky change if done wrong). One bad consequence can be an eradication of realms of financial industry participants (large or small) who actually were the backbone of integrity in the financial industry. When Participants of highest integrity are diminished, a financial industry of increased flaws and corruption evolves. FAOs here are sharply warned: initial signs of such evolutions are to be viewed as an Alarm Bell wherein the FAO is to consider withdrawing from such Markets. Regulatory-published disclosures to be wary of (in areas of material relevance to the FAO) might appear as follows:

"as we move to implement this new Regulation,  
our estimates of its effects are imprecise"...  
(and/or)..."but we believe the benefits will  
justify the cost of the resulting detrimental effects."

Further possible degrees of financial marketplace or financial government evolutions of diminishment of integrity:

There can be factions within these areas which are flawed, corrupt, or in misapplication-of-authorities; even though existing through a "legal" posture, but possibly under authorized "immunity" from liability of wrongdoing and/or cause of damage. When encountered, FAOs should here also consider a precautious withdrawal strategy.

Continued on next page.

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"RED FLAG" EXAMPLES:

(NOTE: There are hundreds of possible examples, and, hundreds of types of authorities, bureaucracies, etc.)

- Registered or Licensed Professionals being badly damaged through atrocious acts of "wrongful detainments;" the effect being the removal of irreplaceable timeframes from the human career lives of good Professionals, without restitution or remedy.
- Wrongful Discredit: Years of human-career-life studies personally invested (in trust of the relative credential-authorities), thereafter being deemed "unacceptable" by an Authority (with the authority doing-so under granted immunity). Such cases have actually evolved, without restitution or remedy for the resulting loss of human career life and damages to those so atrociously afflicted.

FAOs are to understand: these types of occurrences portray very serious cautionary signs. THERE IS A REAL RISK OF LOSS OF YOUR ASSETS IF YOU PLACE OR LEAVE THEM IN ANY AREA OR TERRITORY DEMONSTRATING THESE KINDS OF SIGNS. If observed to be in a contained uncorrected state, FAOs should consider financially withdrawing from such realms. All investments in general should also be withdrawn (not only Financial Account Assets, but also Real Estate, Business Enterprises, etc.). **These kinds of signs signal a potentially seriously dysfunctional territory or authority, particularly wherein Property Rights and Human Rights are placed at Risk. One should not place their assets into such untrustworthy realms. Such places can cause irrecoverable losses and damages upon investors.**

FAOs should further distinguish: People or places acting under granted immunity are suppose to be acting under a Fiduciary Duty. (See "Risk of Fiduciary Duty or Obligations MISINTERPRETATIONS" in preceding section).

FAOs should further be aware: Acts of atrocities have constructively occurred in authorities empowered under immunity. FAOs should exercise high caution before placing their financial assets into realms where these kinds of wrongful signs appear. There is a Risk of becoming ensnared; therein, risk of loss.

Continue on next page.

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**Additional "RED FLAG" signs:**

There can be places, conditions, or situations where a Legislator, Regulator, etc. is trapped into placing the interests of Entities ahead of Human Beings.

Emerging appearances of Risk when laws or regulations are implemented too slowly or too quickly. Also, when they are not prospectively beta-tested. Also, appearances of "legal maneuvers."

When implemented corrective legislations or Regulation fails to actually fix "the problem."

Where structured public-protectors can't see destructive or unintended effects.

Emerging realms of "Eminent Domain" types of actions. For example: if a country or bureau determines that its banking "Reserve System" has preemption over the assets of your financial account, your legitimate assets become at risk of possible suspension, or even degrees of confiscation. Note that these procedures do arise in bankruptcies. These risks can exist even within "Customer Segregated Accounts." FAOs must be vigilant to stay ahead of these ensnarements.

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(Item-Section #8, continued)

**Lists Of Problems the RTHFC Observe  
in Financial Market Structural  
Legislative & Regulatory Bureaus**

**1. Flawed integration designs.**

**2. Delegations of functions to 3<sup>rd</sup> parties; Regulators requiring Delegators to still be responsible, but no actual effective Control (nor construct of means for actual Control) over what 3<sup>rd</sup> parties do (this "fast ball" seeming to always blow-by the Regulators). Also, Regulators possibly understaffed &/or incapable of fixing these types of flaws.**

**3. Regulators not disseminating nor effectively making available (ability or authority of access to) rules which must be complied-with. Some Regulations seeming to avail critical information only to Education Providers (or Continuing Education Providers). Result: systematic nationwide flaws and financial/economic damage to a nation's citizens.**

**4. Legislation & Regulatory bureaus placing their interests (their "turf") ahead of a nation's citizens rights and interests. And, use of a nation's laws/legislative system to construct "safe harbors" for these frameworks.**

**These weaknesses cause distrust in a nation that is empowered by Capitalism. Citizens distrust of Capitalism = diminishment in a nation's power (power for goodness).**

## **Item-9: Disciplinary Information**

(Item-Section #9)

**RTHRIA,LLC and RTHHFC,LLCs LITIGATION MATTERS**

<b>RT Hickman, Registered Investment Adviser, LLC and Controlled Affiliates (the RT Hickman Financial Companies)</b>					
<b>Material Litigation History</b> (Pending or Concluded, within 5 Years preceding the Cover Submission Date of this Disclosure Document) Reporting Qualifier Threshold: Penalties (per incident) exceeding \$50,000, and, no alleged Fraud or Willful Misconduct.					
P = Pending C = Concluded	Start Date of filed Litigation-Action, and Place	Party that brought the Action	Recital of the Allegation and Nature of the Action, parties involved, and Findings	\$ Size of Settlement	\$ Size of Fine
- None. No material administrative, civil, or criminal actions (pending or concluded) existing for disclosure.					
- No disciplinary histories.					

**Robert T. Hickman's FINANCIAL INDUSTRY DISCIPLINARY HISTORY:**

None. / No reportable issues.

**Legal or Disciplinary Events**

- RTHRIA,LLC and RTHSBF,LLC register chronologies of Legal or Disciplinary events within the following national financial-registry web-sites:

For RTHRIA,LLC:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (for Securities Industry matters)

and

[www.futures.org/basic](http://www.futures.org/basic) (for Futures/Contracts Industry matters).

For RTHSBF,LLC:

[www.finra.org/brokercheck](http://www.finra.org/brokercheck) (for Broker-Dealer Securities Industry matters).

To assist a reviewer with the above web-site references, "Hotline-Brochures" of the above are enclosed with this document.



## **Item-10: Other Financial Activities, Affiliations, & Conflicts of Interests**

(Item-Section #10)

Arrangements and/or affiliations RTHRIA, LLC has with related entities and/or persons  
that are material to the advisory business of RTHRIA, LLC with its Clients;

Disclosures of areas where RTHRIA, LLC selects or recommends other advisors for Clients;  
and,  
Material Conflicts of Interests within these relationships and how addressed:

**PRIMARY (DIRECT) RTH AFFILIATIONS**

**LIST OF PROFESSIONAL CREDENTIALS & DESIGNATIONS OF  
THE R. T. HICKMAN FINANCIAL FIRMS, AND OF ROBERT T. HICKMAN:**

- Commodity Trading Advisor, (here meaning – via the Series-3 individual (personally-attained) proficiency credential)  
National Futures Association (Commodity Futures Trading Commission)  
Firm Principal and Associated Person.....(2006)
- General Securities Principal (Firm Principal)  
National Association of Securities Dealers (FINRA), Series 24.....(1999)  
General Securities Representative  
National Association of Securities Dealers (FINRA), Series 7.....(1990)  
National Association of Securities Dealers (FINRA), Series 63.....(1990)  
FINRA Operations Professional, Series 99.....(2011)
- Licensed Producer of Life & Health Insurance  
State of New Jersey, Dept. of Insurance .....(1990)  
State of New York, Dept. of Insurance.....(1991)
- Certified Financial Planner  
Certified Financial Planner Board of Standards.....(1991)
- Certified Public Accountant  
State of New York, University Education Dept, Office of the Professions, Div of Professional Licenses.....(2010)  
State of New Jersey, Board of Accountancy (INACTIVE, with right of Reactivation/right to reactivate).....(1984)
- NJSCPA Fellow, New Jersey Society of CPAs (INACTIVE, with right of Reactivation/right to reactivate).....(1984)
- NJSCPA Personal Financial Planning Committee, Committee Member  
\*(INACTIVE, with right of Reactivation/right to reactivate)..... (1991- 1996)
- NYSCPA Member, New York Society of CPAs (INACTIVE, with right of Reactivation/right to reactivate).....(1993)
- NYSCPA Personal Financial Planning Committee Member  
\*(INACTIVE, with right of Reactivation/right to reactivate)..... (1993 – 1996)
- American Institute of CPAs Member.. .....(1985 - 2011)
- American Institute of CPAs, with former Membership in the  
AICPA Personal Financial Planning Division (INACTIVE, with right of Reactivation/right to reactivate) (1985 – 2004)

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- Robert T. Hickman, via RT Hickman Financial & Estate Consultants, LLC, as a US Department of Treasury, Internal Revenue Service (IRS), registered Tax Professional/Tax Preparer.....(2010 – 2012.)
- Estate Planning Council of Bergen County Council Member .....(1985 – 1996)
- New York University Advanced Estate Planning Study Group Member (New York City).....1995 – 1998)
- International Foundation of Employee Benefit Plans Member.....(1997 – 2011)
- Association of Life Underwriters (New York City) Member.....1997 – 2001)
- The Greater Essex Association of Insurance and Financial Advisors (Newark, NJ) Member.....(2001)
- The Society of Insurance Research Member .....(2001 – 2005)
- Investment Management Consultants Association Member.....(2002 – 2005)

END OF LIST

**Note:** Information regarding the above credentials and membership mission statements (including those which require qualifications to possess the credential), is most-properly understood by reference to the authentic web-site to each. Specific web-site references relevant to Investment Advisory Services are disclosed within this brochure within each relevant Item Section (cross-reference via Table Of Contents at Item Section#3).

**SUMMARY DISCLOSURE RE: CONFLICTS OF INTERESTS POLICY OF THE RTHFC:**

The RTHFC apply procedures to control areas of Conflicts into configurations where the Conflicts are in the accepted or first interest of the FAO/Client – acknowledged by the FAO, and therein, functioning in ways to enhance or improve the interests of the FAO. The RTHFC Conflicts of Interests methods, policy, and “Known or experienced areas checklists” are located at end of this Item-Section. FAO/Clients are to review these areas of disclosure carefully, particularly those of specific relevance to the types of services FAO/Client intends to engage RTHRIA, LLC (or any RTHFC) into.

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### **ARRANGEMENTS/AFFILIATIONS IN OPERATIVE PRACTICES:**

Robert T. Hickman is a Registered Representative and the Firm Principal of R. T. HICKMAN SECURITIES BROKERAGE FIRM, LLC (RTHSBF), a separate company. RTHSBF is the Brokerage firm through which R. T. Hickman executes brokerage-based investment implementation transactions on behalf of clients. Should clients elect to use RTHSBF to execute buy and sell transactions, Robert T. Hickman will receive a portion of commissions on such transactions. Currently, accounts placed through RTHSBF are usually "Unit Investment Securities" (UIS) types of accounts, and as such, are accounts of assets held directly within the Prospectus-referenced Clearing and Custodian firms as relative to each kind of UIS product. (Please note: this comprises multiple lists of various entities, each of which have been advance-filed to each respective financial regulator by each Product Maker-Issuer).

RTHRIA, LLC does suggest RT Hickman Securities Brokerage Firm, LLC to clients:

Since Robert T. Hickman is a registered Firm Principal and representative of R. T. Hickman Securities Brokerage Firm, LLC (RTHSBF), RTHSBF will be suggested to the client for brokerage investment decisions and implementations due to this firm's brokerage experience, quality of service, and support capabilities which the client could work well with. RTHSBF is not a Clearing or Custodian Firm. RTHSBF is an App- Way Firm (a B/D Firm authorized to receive and process investment applications, which in all cases are then forwarded to Issuer, Clearing, and Custodian Firms). Commissions are structured according to Product-Maker/Issuer Prospectus disclosures. Pricing for placements made by RTHSBF is standardized according to financial regulations (since these placements are retail products, such as in Unit Investment Securities, Annuities, etc). Products of standardized pricing do not consist of price Conflicts of Interest. The pricing structure of these types of products are advance-filed (by the Product-Maker/Issuers) to financial regulators, with pricings designed according to regulatory standardized pricing frameworks. Clients evaluate pricing relative to all services provided, and ultimately select Robert T. Hickman and

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RTHSBF on this basis. In all investment placements, RTH seeks relative Best Execution. Any price-discounts by purchase aggregations are defined and instructed in each Prospectus. RTH procedurally does analyze Prospectus-defined Sales Charge Reduction and Waiver opportunities with Customer/Clients, with each analysis documented with Customer/Client pursuant to RTH Customer Suitability procedures. Applications-Way financial products in-and-of-themselves (meaning at the internal Portfolio/Fund Manager level) attend to Best Execution Aggregation Discounts (discounted transaction costs by bunching securities purchases), and accordingly, this Best Execution pursuit is not applicable at the retail level.

For securities which are required to be specifically positioned by RTH within institutional Clearing and Custodianship, R. T. Hickman, Registered Investment Adviser, LLC currently utilizes, on a non-exclusive basis, the Custodian (Holding) and Clearing firms of (arrangements of) TD Ameritrade, and, Interactive Brokers Group. FAOs are to distinguish that Unitized Securities Investments (such as Mutual Funds) configure Custody designs within themselves. Please further distinguish that RTH will work with any qualified and vetted Custodian or Clearing firm that a Client may specifically want, if and when a sufficient amount of assets are proposed by Client to make such a configuration plausible, as relative to each Client proposed situation.

Over the time period of 1/92-11/99, R. T. Hickman utilized Polaris Financial Services for brokerage resources with RTH as a Registered Representative via an Independent Contractor Agreement. Polaris was an Introducing Firm to Pershing/Donaldson, Lufkin, Jenrette.

**When and How RTHRIA, LLC, a Related Person (under common control) as a Broker/Agent, effects securities transactions for compensation for clients:**

RTHSBF, LLC effects securities transactions for compensation for RTHRIA, LLC clients. It is not mandatory for clients to use RTHSBF, LLC. Clients decide (elect) whether or not to use RTHSB,LLC. Pricing is standardized for all FINRA/NASD Member Firms via Prospectus disclosure and offering rules in placements of Unit Investment Securities types of products. Currently, RTHSBF,LLC is not authorized to provide Clearing and/or Custodian services.

RTHSBF,LLC is a Member of FINRA (formerly NASD) and SIPC. Accordingly, Investor is to additionally refer to: [www.finra.org](http://www.finra.org), and to: [www.sipc.org](http://www.sipc.org). SIPC (the Securities Investor Protection Corporation) may also be reached at telephone number: (202) 371-8300.

Factors considered for selection of Broker-Dealer types of firms (Custodian and Clearing Firms) for Clients/FAOs are disclosed in Item Section #12.

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ADDITIONAL INFORMATION ABOUT ARRANGEMENTS/AFFILIATIONS:

Mutual Funds, Variable Annuities, and Variable Life Insurance (Unit Investment Securities):

These investment vehicles, when distributed through broker-dealer firms, typically feature and pay a .15 - .75 basis point (bp) compensation trail. If/when a client implements these investment vehicles through RTHSB, RTHSB accepts and utilizes the bp compensation trail for maintaining and holding these accounts according to regulations within and as a Brokerage Firm Account. For purposes of these requirements, "maintenance" and "holding" consists of preserving file data according to numerous financial regulations such as securities regulations, privacy regulations, anti money laundering (financial crimes monitoring), etc., and, monitoring for continued suitability. It is to be noted and understood that Maintenance and Holding does not comprise Investment Advice and/or Investment Management. Investment Advice and/or Investment Management activities for all R. T. Hickman clientele is provided via R. T. Hickman, Registered Investment Adviser, LLC. For further information, refer to this Form ADV, Part 2A section entitled "Wrap Fee Disclosure Brochure." For further information about "basis point compensation" that is structured according to SEC Rule 12-b1, refer to: [www.sec.gov/rules/proposed](http://www.sec.gov/rules/proposed). In this area, specifically refer to File Number: S7-15-10.

When R. T. Hickman enters into an Investment Advisory Fee Arrangement with a client, compensation for services is then based on mutual agreements with client(s). For a thorough understanding of this arrangement, please refer to the R. T. HICKMAN REGISTERED INVESTMENT ADVISER, LLC INVESTMENT ADVISORY SERVICES SCHEDULE OF INVESTMENT ADVISORY FEES document. (This document accompanies this ADV Part 2.). Also refer to the areas within "Schedule/Appendix" data which describe Fees and how Fees are charged.

**Policies and procedures which ethically control "Conflicts Of Interests" are disclosed later in this Item Section.**

Through R. T. Hickman, Licensed Insurance Producer, LLC (a separate company), Robert T. Hickman maintains Broker/Agent relationships with various life and/or health insurance companies that are specialists in specific non-variable insurance product-types. RTHLIP,LLC implements insurance transactions through Insurance Companies on behalf of RTH clients. In these engagements, RTHLIP,LLC may receive an insurance sales commission from insurers whenever a client purchases insurance through the Agent or Broker arrangements of RTHLIP, LLC.

Through R. T. Hickman Financial & Estate Consultants, LLC (a separate company) financial consulting services for Businesses, Individuals, Trusts, Estates, and Employee Benefit Plans are provided. These services are usually accomplished on a Project-By-Project basis, with fee compensation mutually-agreed with clients. These engagements usually commence from financial-consultative needs discovered from new client profiles, and typically become additionally necessary when profile data significantly changes over time. RTHFEC,LLC also provides accounting type of reports for RTHRIA,LLC investor-clients.

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Besides Confirmations and Statements which are provided to each investor and to RTHRIA, LLC from third-party providers, RTHRIA clients may engage R. T. Hickman Financial & Estate Consultants, LLC (RTHFEC) to provide accountings (accounting type of reports) to the Investor/Account Owner. These accountings are not "audits" of reported investment data and as such, they do not verify Valuations. These accountings are usually ordered (requested) by the Investor in order to enhance understanding of the investor's holdings through further report clarity, descriptive presentation, and analyses of results. These accounting reports do not serve to "advise" the investor, nor to "manage" the client's holdings, buys or sells; nor do they provide recommendations. Each client decides when and at what frequency RTHFEC accountings are to be provided. These accountings depict the data of "Portfolio Makers" and/or Custodians. These Third Parties are the originators of reported amounts and financial data. Should a Client ever request Valuation Services from RTH, Client would engage RTHFEC, LLC (refer to the RTH document entitled: "The RTHFC Financial & Estate Consulting Services and Financial Vehicle/Product Implementation Services Engagement Agreement," at Section D – Subsidiary Engagement Agreements). Please note that if RTH provides independent "Valuation Services," RTH may then not be a party-of-access (a Discretionary Trader) to the valuated assets since doing both would result in RTH not being independent (it is extremely important for every Investor to understand what this sentence means).

With respect to verification of Account Values, all RTH Clients are provided with two "Self-Review and Preparation Forms," which Clients are requested to prepare and follow to guard their Assets, their asset-values, and to monitor for continued suitability. The titles of these RTH Forms are:

1. "How To Discern If The Account Values Reported To You On Your Investor Statements Appear To Be Correct or Incorrect;" and/with
2. "Client's Self-Checking Diagnostic Analysis of Account(s) Form."

**RT Hickman does not send Account Statements to Clients in lieu of those from any Custodian.**

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How Financial Regulatory Frameworks (the rules of Financial Regulations) Apply to the RTHFC  
and  
How the RTHFC Operate According to Financial Regulations

Client/Customer is to understand and distinguish that the separate companies within the Group of R. T. Hickman Financial Companies are each subjected to specific Regulations and Rules. Client/Customer is to also understand and distinguish that RTH Financial Companies have always conducted business on a Registered basis within financial regulations and regulated (subjected to on-site examination) by financial regulators. In other words, RTH Financial Companies have not conducted financial business in an unregistered/unregulated manner. This is enormously important to understand and distinguish because financial businesses that have conducted practices in an unregulated manner have or have participated in the causes of Year-2008 revealed result of catastrophic financial devastation. In references to specifically-implemented Securities/Investments placements, business undertakings (generally speaking) relative to the securities-related RTH Companies, are to comply with Nationalized Regulatory requirements such as those promulgated by the Securities and Exchange Commission (SEC), FINRA; the Commodity Futures Trading Commission (CFTC); and the National Futures Association (NFA). In reference to specifically-implemented Insurance placements, (meaning, Insurance placements that are not defined as Securities) generally speaking, as relative to the non-securities-related RTH Companies; are to comply with State-by-State Regulatory requirements, such as those promulgated by each State's Insurance Commissioner (each State's Department of Insurance). In reference to services performed by RTH Companies as a Certified Public Accountant, relative RTH Companies are to comply with Nationalized Standards (which are called Generally Accepted Accounting Principles) such as those promulgated by the Financial Accounting Standards Board (FASB). However, caution is called-for here because some non-national accounting Boards may posture themselves as a preemptive authority over nationalized standards. There can be high risk in these territories which may be seriously deficient in intellectual, technological, etc. capacities as needed to properly and safely handle these imperative complex matters. (Placing assets into such areas can be a high risk). In reference to services performed by RTH Companies as a Certified Financial Planner, relative RTH Companies are to comply with Nationalized Standards (which are Promulgated by the Certified Financial Planner Board of Standards, Inc.).

Based on this framework of Rules and Regulations, and based on how those of National Government Authority have applied their respective Regulations into each relative R. T. Hickman Company, the Client/Customer is to clearly understand that when a RTH Company provides Communication Data to the Client/Customer about SPECIFIC (specifically identified) Investments or Insurances, RTH is required to follow public-protection regulatory procedures (according to each Investment or Insurance prescribed regulatory procedures) such as (and not limited to):

- Obtaining proving documents from issuers of Advance Filing Communicational Documents (proof of advance filing) from the relative Regulatory department for Advance Review prior to such materials may be provided to Client/Customer (the public); and
- Placements of Communicational documents (including all specific letters to all specific Clients/Customer) into Logs for Regulatory Examiner Inspections.

The Client/Customer is to understand that these strict compliance procedures which are relative to SPECIFIC (actual) Investments or Insurances serve multiple public-protection functions, including endeavors to stop what could be counterfeit communications and counterfeit communicators. It is to be understood that counterfeit communications is, deservingly, one of the high areas of focus in the world of financial Regulations and financial public safety.

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However, even though these regulatory procedures are in place, Client/Customers are to proceed with caution because RTHRIA, LLC and the RT Hickman Financial Companies (the RTHFC) do not find the process of implementing investments, trading programs, insurances, (i.e. – financial placements) through the use of Disclosure Documents to be adequate or entirely reliable. The RTHFC now instead provide implementations according to a method of “Client-Specific Prescription.” Each Client in each implementation prescribes (imposes) a “Customer Suitability Statement” and an “Agreement Document” (these documents being Specific-Prescription records between the Client and us). Product-specific Disclosure Documents from Issuers also are not treated (at the RTHFC) as adequately reliable without the added RT Hickman procedures of “Client-Specific Prescription.” Clients that opt to solely rely on any Issuer’s Disclosure Documents when working with us, do so at their own risk. The RTHFC disclaim responsibility for Clients that base their implementation(s) through sole reliance on disclosure documents (without the method of “Client-Specific Prescription”).

Before any FAO proceeds to implement with RT Hickman wherein Disclosure Documentation is required, the FAO is here alerted to do so with these warnings:

- All disclosure documents have flaws within them, and some may even consist of corruption. Some of these flaws are visible, others are not.
- Various types of disclosure documents or offering documents contain information that is based on what a Regulator permits to be disclosed, as well as what a Regulator does not allow to be disclosed. But yet, after this screening and gatekeeping, the Regulators disclaim responsibility. REASON: The Regulators know that all Disclosure Documents are imperfect and they are released with flaws. This presents another reason of why prospective and existing FAOs are to not think that Disclosure Documents attain suitability.

According to these Regulations and special protective procedures, the RTH Client/Customer is to understand and distinguish that if a Client wishes to engage RTH to prepare work (provide services for Client) with RTH serving as a Financial Planner, such planning work provided by RTH shall NOT include SPECIFIC (specifically identified) information about the Client’s actually-owned or actually-planned Investments or Insurances. RTH’s procedures for implementations of Investments or Insurances are only provided according to the aforementioned placements framework. In addition to this important clarification and distinction, the RTH Client/Customer is to also refer to this Disclosure Document’s section entitled:

- Procedural List for Defining the Certified Financial Planning Relationship (Engagement) with the Prospective Client or Client

which is located within the RTHFC  
Disclosure Document entitled:

- FINANCIAL & ESTATE CONSULTING SERVICES and FINANCIAL VEHICLE/PRODUCT IMPLEMENTATION SERVICES ENGAGEMENT AGREEMENT

Continued on next page.

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Important distinctions (required to be understood and when applicable – accepted by Client) between Securities types of services –vs- CFP (or CPA) types of services:

1. CFP Fiduciary Duty pertains to CFP practice work, which is a separate engagement from financial product implementations at RTHFC.
2. Investment Adviser work is subjected to its own Fiduciary Standard, which is separate from the CFP Fiduciary Standard..
3. When RT Hickman does CFP work, it is planning work (meaning conceptual work), thus separate from and not inclusive of Financial Product implementations, trading, portfolio management, etc work. RTHFC Financial Planning work is done from Client's provided data assumptions and criteria; this work not being based on specified assets, liability, or capital as within the context of Investment Industry services.

Client/Customer is to further understand that the framework of Regulations that are applicable (and how they are applied by Regulators) to R. T. Hickman Financial Companies may not be the same as for other financial firms. Each financial firm must follow their own Regulatory-Required framework as uniquely applicable to the kinds of financial undertakings conducted at each financial firm.

**Cautionary Reminder:**

**Although services are provided according to Fiduciary Standards, Clients/FAOs are to understand that Risks still are present (refer to Item-Section #8). Serving a Client as a Fiduciary does not necessarily mean that Risks have been removed, nor assures achievement of Suitability for the Client/FAO.**

Buyer beware: Unlicensed, or unregistered/unregulated financial advisors and financial administrators could be viewed by Law and Regulatory authorities as a form of counterfeit financial business undertakings. And please be further alerted: we now exist in a financial world that is "Internet Connected." Accordingly, financial Regulators are very serious about stopping financial counterfeiting of any kind or form. When no authentic verifiable financial industry credentials are presented to you, to safeguard yourself - switch to an authentic credentialed financial professional. Most financial regulatory (Public-protection) web-sites have a section which informs the Public about authentic credentialed financial professionals. Please discern that these authentic credential lists are not only to inform the Public about what these credentials mean, but perhaps far more importantly, to alert the Public to stay-away from the Unregistered, Unregulated, Non-Credentialed persons or entities that attempt to involve themselves in financial undertakings with the Public. This matter is so serious that Financial Regulators have been empowered to apply Anti-Fraud law enforcement provisions to anyone (meaning, not just to credentialed financial participants). But also distinguish further here that a Financial Regulator will give a degree of credence to credentialed financial participants that subject themselves to the rigors and qualifiers of financial regulations; but to participants that do not, Anti-Fraud law enforcement provisions could have severe application.

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*R.T. Hickman Financial Companies (RTHFC)*  
*Practice Policy Disclosure on CONFLICTS OF INTEREST*  
*(A call for Integrity and Acts in Good Principle)*

**DEFINITION FOR FOCUS & UNDERSTANDING:**

**Conflict of Interest** – opposing interests between the private interests (needs) and the official responsibilities of a person *in a position of Trust*. Private Interests can include personal relationships (close friends and family) as well as the objective to pursue financial gain (to seek optimized profits).

**IS IT POSSIBLE FOR A CLIENT TO ENTER INTO A  
COMMERCIAL TRANSACTION &/OR A SERVICE ENGAGEMENT  
AGREEMENT RELATIONSHIP WITHOUT THERE BEING  
A CONFLICT (OR CONFLICTS) OF INTEREST?**

**Answer:** Probably not. It is not likely that there is or ever shall be a Commercial Transaction &/or Commercial Relationship in which there would be no Conflict (or Conflicts) of Interest.

**EXAMPLE OF CONFLICT OF INTEREST, WITH REASON  
OF WHY SUCH CONFLICT IS INHERENT IN  
COMMERCIAL UNDERTAKINGS**

When a Client seeks to engage a financial Professional for any type of Commercial Undertaking, the Client rationally seeks to obtain optimum suitable advice at a price that is perceived as an appropriate value to the purchasing Client. On the other hand, the Financial Professional, rationally, seeks to accommodate and accomplish the Client's mission, however, in such a way as to achieve optimum profitability to the Financial Professional (the Financial Professional's entity); in exchange for the work, services, talent, risk participations, advanced costs, etc... provided to the Client. It is not only rational, but of absolute necessity for the Financial Professional to work in effort for optimum profitability. And it certainly is rational for the Client to seek to obtain optimum suitable advice at a price of perceived appropriate value to the purchasing Client.

Accordingly, this example demonstrates that there exists a mutual quest for attainment of optimum value within Commercial Undertakings by both parties (the Client and the Financial Professional). This mutual quest is symbiotic, but consists of opposing interests. In other words, although there is a Conflict of Interest, it is not a bad thing. It is, necessarily, mutually accepted and mutually understood. We thus see that Conflicts of Interest inherently exist in business relationships, and are a factor to be attended-to (managed) through timely and fair negotiation. In the undertakings of financial consultations and

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implementations, Conflicts of Interests can sometimes arise untimely, and can sometimes exist without being known. Since managing Conflicts of Interest can be an imperfect process, the parties (in RTHFC opinion) should pledge a "Best-Efforts" promise to each other in attending to Conflicts of Interest. This pledge is necessary in service relationships with a financial consultant since financial matters mandate a duty of Trust. RTHFC engagements strive for Mutual Fairness and Mutual Trust. We declare this philosophy in our Master Services Engagement Agreement Document.

Clients should also be aware that Conflicts of Interest sometimes can be a bad thing. When Conflicts arise in such a way that they compromise the needs of either of the agreed parties, there then could be disadvantages. When becoming known, they should be promptly discussed, negotiated and resolved.

#### **IN SUMMARY**

1. RTHFC Clients acknowledge with RTHFC that it is synergistic to be in a working relationship engagement with the Financial Consulting Professional based on the PRINCIPLES OF MUTUAL FAIRNESS AND MUTUAL TRUST. (ref: RTHFC Master Agreement Disclosure Document). It is acknowledged that such a working relationship engagement is intended to be mutually beneficial to both the RTHFC Client and the RTHFC Consulting Professional. Furthermore, it is also acknowledged that undertaking without these Principles could defeat a well-intended service relationship, in trust, with a Financial Consulting Professional. (Financial matters mandate an established Trust. Mutual Fairness creates Mutual Trust);
2. From these acting Principles, RTHFC Clients acknowledge with RTHFC that the opposing and potentially emerging opposing issues ("Conflicts of Interest") are managed in a best-efforts process through timely disclosure and negotiation.

#### **REMINDER:**

**The most important point to detect is whether or not the issue of opposing interests will cause a detriment to the parties in their Agreement.**

**If YES: Discuss and negotiate.**

#### **ADDITIONAL REFERENCES TO THIS DISCLOSURE DOCUMENT:**

3. RTHFC (Master) Financial & Estate Consulting Services and Financial Vehicle/Product Implementation Services Engagement Agreement document;
4. Accompanying document entitled: Known and Probable Conflict of Interest That You Shall Encounter As You Work With RTHFC;
5. Accompanying document entitled: Special "High" Concern Conflicts Of Interests Pertaining To Investments, and, How R.T. Hickman Provides Ethical Conduct and Management In These Conflicting Circumstances.

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## Control of Conflicts Of Interests that are directly-relative to Investment Operations

Description of Advisory Services Offered	How Conflicts of Interests (within the realm of control of the RTHFC) are Managed or Dismantled of effects that would be materially improperly diminishing to Client/FAO objectives <u>AS PERTINENT TO INVESTMENTS</u> :
<p>RTHRIA, LLC service provisions (duties) include:</p> <ul style="list-style-type: none"> <li>- Investment and Commodities Supervisory Services (such as via a Discretionary Trading Program);</li> <li>- Management of investment Advisory Accounts without supervisory duties (such as when Third Party Managers are used - Mutual Funds for example);</li> <li>- Provision of Investment and/or Commodities Advice through Consultation arrangements;</li> <li>- Furnishes advice about Securities or Commodities in ways other than above (such as in Suitability determinations, Client attendance to financial regulations, etc).</li> </ul> <p>It has taken RTHFC many years, tests, and qualifications to build its service capacity. Duties in Contracts did not commence until the 7/6/2006 Effective Date. Services provided to each Client are uniquely constructed for the needs and objectives of each Client. (see "tailoring" below).</p> <p><b>SPECIALTIES ("what we have been doing and can do for you"):</b></p> <ul style="list-style-type: none"> <li>- Methods for controlled and assured growth (Speculative-based or Hedge-based);</li> <li>- Proprietary trading program methods (to qualifying Clients only, per financial regulations);</li> <li>- Detection and removal of flaws in Client's approach to Investing (throughout financial markets and industries);</li> <li>- Safeguarding large complex Investment Trusts and similar entities (including Union Plans);</li> </ul>	<p>1. A "Customer Suitability Statement" is obtained from every Client/FAO prior to account opening. Investment Adviser Agreement, Account Power Of Attorney, and applicable Prospectus/Disclosure Document(s) (as applicable) accompany the "Customer Suitability Statement." Included with Disclosure Documents are the applicable/required Advance Disclosures of relevant Custodian/Clearing firms. These diagnostics are extensive, and are applied according to the unique and particular needs of each and every Client/FAO (Client Profile). The RTHFC calls these types of diagnostics "Integrity Assurance Procedures." With Suitability defined and designed by each Client/FAO, magnitude of Risk is therein shaped by the Client/FAO. Accordingly, performance-based compensation placements are sized by the Client/FAO thereby making this area of Risk exposure suited according to Client/FAO's design.</p> <p>2. All undertakings with Clients/FAOs are initiated, changed, updated, and concluded through Client-executed documentary Orders. This method serves to control improper Conflicts or diminishing effects.</p> <p>3. When Trading for Client Accounts, in every Trade ordered, integrity diagnostic procedures and best execution checkpoint procedures are applied to check for <u>validity</u> in all elements &amp; components, and, to detect any material improper conflicting or diminishing effect upon each and every Client account (such as in allocations, valuations, time-of-</p> <p style="text-align: right;">Continue on next page.</p>

- Coordination of uses of Insurance as relative to Investment Positions and (when applicable) Financial Profile Positions & Stature;
- Investment configurations through all types of Boards, including disharmonious Boards Of Trustees;
- Proprietary account designs and strategies (minimization of use of third parties);
- Sophisticated (Special Qualification) Private Investors;
- Operations and Service-Design for Clients without personal/private data in the "Internet Realm";
- Protect FAOs from flawed financial markets & market protocols, and, flawed financial regulations (areas of regulatory "faults").

The requirements and necessities of very large and complex FAO Realms are granted access to value with proficient practical solutions through the numerous financial registration credentials of the RTHFC. (wide range of capability through one serving source).

The RTHFC are not the kind of financial entities that receive FAO monies or assets, then hold and use the FAO assets, and then give the FAO nothing in return.

#### TYPES OF CLIENTS

- Corporations, Business Institutions;
- Pension Plans, Profit Sharing Plans, etc. (including Union Plans);
- Trusts, Estates, Foundations/Charitable Organizations;
- Individuals (usually High Net Worth &/or Complex Cases).

Investment Boards of Trustees & Complex Investor Portfolios seeking diligent & vigilant applied expertise into Investment Portfolio situations should call us.

trade, availability/volume, etc.). Accordingly, every day any and all Trade Corrections to stop improper effects are done as a part of calculations which compose each and every Trade. These protective procedures are applied on the day of trade for all trades. Also refer to accompanying Disclosure Document entitled: "RTH Procedures and Ethics Policy for Resolving Incorrect Personal or Proprietary Account Securities Transactions, and/or Theft or Misplacements Which Cause Diminishment to Client Accounts.

4. Where Personal/Proprietary securities or contracts are included, in every trade their effects on each and all Clients are diagnosed for any material improper diminishing effects. If detected, the Personal/Proprietary securities or contracts are removed so that Clients are unaffected or replenished. In other words, the improper diminishing effect is dismantled to stop impact upon each and all Clients.

5. The potential effects of material improper conflicts &/or diminishment upon Marketplace Participants in general are also diagnosed (such as if/when a large trade could cause an improper price-effect throughout relative Markets). If detected, such Order types are not undertaken.

6. To ascertain perpetual consistency of alignment with each Client's investment objectives, periodic interval procedures are applied to each and every Client account, and, an annual updating continued suitability "Check-Up" letter is sent to every Client.

7. All relative required disclosures are sent to all Clients via a proof-of-provision delivery method, with date and time confirming details.

8. Differing compensation sizes (Fees earned by R. T. Hickman) as applied to Clients do not cause improper Conflict of Interests effects because the RTHFC select Client engagements that integrate into RTHFC operations in ways which prevent the types of Conflicts Of Interests that typically (characteristically) would arise from differing

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#### TYPES OF FINANCIAL INSTRUMENTS

- Securities (including Equity, Debt, Unitary Investment Securities such as those of third party Investment Companies, Securitized Debt); (Examples of Unitary Investment Securities are Mutual Funds & Variable Annuities. Investment Companies are "Issuers" of Unitary Investment Securities).
- Contracts (including Futures on Intangibles and Options on Securities, Commodities, etc.);
- Insurances.
- Cash, Margin, or Apps-Way Only POSITIONINGS Accounts;
- Long Term, Short Term., Trading, Short Sales, Controlled-Leverage Contracts (covered, naked, spreads, etc).

Compensation sizes. For example, RTH employs a conditional requirement in Client/FAO engagements entitled the "Minimum Amount Of Compensation Rule." This Rule enforces earnings-value-parity throughout all RTHFC engagements, in effort to diminish the conflict of "favoritism." "Favoritism" effects are controlled even in Performance-Based Fee Accounts. The RTHFC maintain constant vigilance in view of the fact that regardless of size or arrangement, FAO assets are of imperative importance to every FAO. Accordingly, every FAO is required to receive vigilant service-efforts. If RTHFC cannot provide vigilance, RTH will respectfully not accept or conclude engagement. However, Clients/FAOs are to distinguish that within financial Regulations, there are procedural areas of Order or Priority which the RTHFC must comply with. Since RTHFC procedures are financially-regulatory-based, RTHFC operations are controlled through the mandates of Regulations, but with techniques of professional ethics. This combination balances regulatory procedural mandates in an applied way of fairness to control the potential conflict of favoring one Client over another. The RTHFC do not improperly allocate investment opportunities among Clients/FAOs. Allocation procedures are designed based on relevant financial regulations. Also, refer to the accompanying Disclosure Document entitled: "RTHFC Ethical Policy and Procedure for Avoiding "Double Charges" to a Customer or Client when Financial Implementations are done."

9. The RTHFC do not directly Trade (execute Buys or Sells) to or from Clients.

10. The RTHFC feature a firm Agreement Document which prohibits "Insider Trading." The procedures explained above (at #2) include detection for possible "Insider Trading" effects. Clients are to note that the RTHFC usually do not engage in (or avoid) the areas of individual securities trades where there is a higher potential for the notorious flaws of "Insider Trading," "Price Manipulations of specific issues," etc. The RTHFC are not publishers (or Disclosure-Makers) of Fund

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or Model Portfolio Holdings. The RTHFC do not issue "preferential disclosures."

11. The RTHFC maintain Security and Secrecy Walls for areas requiring protection of Nonpublic information. The RTHFC are not Makers or Issuers of Securities Analysts Reports.

12. The RTHFC do not engage-in or undertake "Soft Dollar" relationships or agreements. Distinction: since relevant Continuing Professional Education (CPE) is in the best interest of Clients/FAOs, the RTHFC will accept free CPE which may include a sustenance "at seminars" meal; with Clients/FAOs here being in understanding that these provisions from third-party-providers not being "vacation getaways," etc. – ie – not representing "Soft Dollar Arrangements" and not being a conflict of interests.

13. No RTHFC is an "Affiliate" of a Custodian, Clearing, or Bank type of firm or financial institution. Also, Client/FAO-funds are not held at foreign financial institutions.

14. The RTHFC apply Integrity-Assuring procedures (in ways same as or similar to the aforementioned) in every line-of-business undertaken. This is RTHFC standard procedure, applied always by first-reference to the relevant financial regulations.

15. For further information regarding Conflicts Of Interests in Fees (compensation), refer to Item Section #5.

**End of Table.**



(Item-Section #10, continued)

Financial Industry Systemic/Structural Conflicts Of Interests:  
(Beware of placing your Property, your Assets, into financial realms of high risk)

1. The insufficient coordination between government bodies, bureaus, territories, and self-regulating organizations is a serious Risk and an area that is concentrated with financially dangerous Conflicts Of Interests.
2. Beware of financial entities conducting operations as though they are territories, sovereignties, or financial realms that are separate from America's Constitution (or the imperative good principles of America's Constitution). This conflict and serious risk exists even within our own USA.
3. Areas where financial governing bodies or regulators do not truly clarify and make transparent their own Books Of Rules.
4. Areas of financial governing bodies or regulators where inadequately trained staff are handling very important financial regulatory matters.
5. Areas where Homeland Financial Security is flawed when Bureaus within this area evolve into procedures which put the interests of industry-segments above the interests of the Homeland itself.

Consolidated "Custodial/Capital-Reserve-Requirement-Intensive" types of financial firms commonly can have material structural Conflicting Interests compared to the interests of Investors/FAOs. There can be lack of effective and genuine separations between opposing interests, which can be a betrayal to the Investor/FAO. Before an Investor places any material amount of Investment Capital (Assets) into these kinds of firms, the Investor should first receive full transparency reporting of all directly-opposing configurations, and have assurance that all opposing configurations are reviewed for possible acceptability. If there are any information gaps, lack of transparency or cooperation, the Investor/FAO should avoid the Risk by not placing assets into such dark/murky financial areas. **Clients/FAOs are hereby advised that where there is insufficient transparency, do not proceed unless you are willing to accept the potential Risk Of Loss. Clients/FAOs are to also bear-in-mind that some imperative information areas may be withheld or non-existent for public or prospective-investor/FAO knowledge.**

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(Item-Section #10, continued)

RTH Procedures And Ethics Policy for Resolving  
Incorrect Personal or Proprietary Account Securities Transactions (PSTs),  
and for  
Theft or Misplacements which cause Diminishment to Client Accounts

RTH's procedure and ethics policy for attending-to and enacting correction to any RTH inputted Trade for reasons of potentially incorrect Personal or Proprietary Account included Securities Transactions, and detected potential electronic and/or false-documented theft or misplacements, is to enact proper and required resolution steps to repair the circumstance within 24 hours (or otherwise, by "Settlement Date" as required under the regulations that apply to the particular situation).

RE: Potentially incorrect Personal or Proprietary Account(s) included Securities Transactions (Personal Securities Transactions, a/k/a "PSTs"):

STEP-1: Within 24 hours (or otherwise by Settlement Date), RTH diagnostic procedures (which occur through RTH transaction-effectuating Blotters) first determine whether or not included PSTs did in fact cause any material diminishment or degrading effect to Client-Investors. It is to be understood that included PSTs can also have the effect of providing benefit to Client-Investors. Also understand that an improper PST that nets a Gain, would likely call-for the Gain to be returned and reallocated to the includable Client-Investors. However, an improper PST that nets a Loss may not likely have benefitted the includable Client-Investors, and in such case, RTH would not act to reallocate a net Loss to includable Client-Investors (meaning, when doing so would place a diminishing effect into Client Accounts).

STEP-2: Next, if it is found that a material diminishment to Client-Investors occurred (which based on STEP-1 should not ever happen), RTH shall prepare a Diagnostic Document which calculates the total diminishment effect. RTH shall then, on a recorded line, call the applicable Office of Financial Regulator (NFA, SEC, FINRA, etc.) to fax the Diagnostic Document to the Regulator to obtain assistance of how RTH is to properly reverse (unwind) the diminishment effect (the diminishment amount such as the Gain Amount) such as by reversal or liquidation from the included PSTs, to then place this amount as a corrective replenishment into the accounts of the includable Client-Investors.

STEP-3: Contrarily, when no diminishment or degrading effect to Client-Investors occurred, or, when a benefit or enhancement effect to Client-Investors occurred, RTH shall then NOT execute STEP-2 (above).

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STEP-4: After an above STEP-2 type of correction is made, all Client Accounts and Personal or Proprietary Accounts are re-reconciled to ascertain that Investor-Clients were remedied (replenished), and the improper element in Personal or Proprietary Accounts was unwound to also ascertain these accounts being in a correct status. (STEP-1 accomplishes this same effect, but before Trades/Transactions are allocated or settled). Procedurally, RTH acts to complete this STEP-4 within 24 hours from the inception of the executed Trade event (or otherwise, by Settlement Date as required under the Regulations that apply to the particular situation).

STEP-5: RTH places record of improper PST matters into a PST violations Log. If reprimand is called for from the circumstance, RTH then enacts appropriate reprimand procedures.

RE: Detected potential electronic and/or false-documented theft, or misplacements:

STEP-1: RTH shall prepare a Diagnostic Document which calculates the total diminishment effect and which makes evidence of the event. When the event represents a theft, RTH shall then first, on a recorded line, call the U.S. Department Of The Treasury Financial Crimes Enforcement Network Bureau (FinCEN) to report and fax the Diagnostic Document to FinCEN to inform FinCEN of the event before any other party (as necessary under The Patriot Act, etc.), and to obtain instruction of how RTH is to proceed to (A) protect clients and the public, (B) to obtain FinCEN's advance approval and clearance to, on a recorded line, call the applicable Office of Financial Regulator (NFA, SEC, FINRA, etc.) to provide information about the event, and to obtain instruction of how to process this matter to Custodian Firm (wherefrom the assets would have been extracted): After (A) and (B) are completed, RTH would then cooperate with Custodian Firm and Client to assist in achieving Client's satisfaction of Claim for reparation from the Theft or Misplacement. Note that NO documents of evidence may be released without FinCEN's advance-approval. RTH procedures are designed to commence these remedial actions within 24 hours from the inception of the detected event but also within 24 hours from the inception of the Executed Trade event (when situation involved an Executed Trade).

STEP-2: If any corrective amounts result to Investor-Client accounts from STEP-1 procedures, RTH then re-reconciles all Client Accounts and Personal or Proprietary Accounts to ascertain that all accounts are in a correct status (supporting documents for these types of events would likely have to be routed to RTH from the Custodian Firm).

STEP-3: RTH places record of Theft (and possibly Misplacement) matters into special FinCEN Logs and records. If reprimand is called for from the circumstance, RTH then enacts appropriate reprimand procedures. End of Steps.

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(Item-Section #10, continued)

R. T. Hickman Financial Companies (RTHFC/RTH)  
Ethical Policy and Procedure  
for avoiding "Double-Charges"  
to a Customer or Client when  
Financial Implementations Are Done

(NOTE: This disclosure document addresses the cost-charging policies of RTHFC. It does not address the cost-charging policies of other (non-RTH) firms. Non-RTH firms are responsible for disclosing their cost-charging policies in their own Disclosure Documents).

1. RTH Client Relationship Disclosure Documents advance-disclose to Customer/Client, in writing, how RTH charges fees (costs), how RTH is paid, and how RTH informs Customer/Clients, in writing, of fee or commission charges that are paid to RTH. Before reading the rest of the disclosure-points in this document, Customer/Client is directed to refer to the Fee Disclosure sections of RTH Client Relationship Disclosure Documents, including Regulatory work and Procedures that RTH is required under Federal and State laws to apply to every Client/Customer account (work procedures for which RTH must also be compensated).
2. When a Client/Customer decides to acquire an Investment or Insurance product through any RTH Company, by Client's reference to any applicable advance disclosure Prospectus Document (which is a document made and provided by the Product Maker Company), Client/Customer is informed of the Costs that the Product Maker (Offering) Company will charge to Client/Customer (or subject Client/Customer's account to). When a Client/Customer's financial product acquisitions are "Load," products ( meaning the Product Maker's charged costs are "loaded" into the product acquisition), the Product Maker companies usually pay a portion of their cost charges (or cost-subjections) to RTH. ( Please distinguish that loaded securities-based products, per financial Regulations, are provided to Customer/Clients through RTHSBF,LLC). These payouts to RTH commonly are designed by the Product Maker in two ways:
  - First, when RTH provides services to Client/Customer to make the placement for the Client/Customer into the Product-Maker's financial company, the Product-Maker may pay RTH a one-time Commission (which in Securities-based accounts, commonly may range from as high as 6% (of funds invested) to as low as 1%; and which, in Life Insurance-based accounts, commonly range from as high as 100% (of first year policy Premium), to as low as 60%). What you should further understand when working with RTH is that since when you engage RTH to do work for you, you promise to pay RTH for the work you employ RTH into. When doing so, you agree to follow RTH's "Minimum Compensation Rule." Accordingly, when you send RTH into the work-project of implementing an Investment or Insurance product for your needs, and if after doing so, you decide to not make the purchase, you continue to be subjected to RTH's "Minimum Compensation Rule." Alternatively, if you do make the product purchase, and RTH is paid a Commission by the Product Maker, usually the amount of paid Commission will adequately compensate RTH for providing this implementation service to you; but if for some extraordinary reason RTH is not adequately paid, the RTH "Minimum Compensation Rule" would be applied. It is to be understand that in this situation, the application of the RTH "Minimum Compensation Rule" charge to you would not be a "double charge," because RTH, as a multi licensed and credentialed person and entities, must have a provable calculated basis for charging you in an implementation

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engagement any amount above the paid Commission amount to RTH. For example, if as a part of an implementation, the Client/Customer requests RTH to provide extraordinary financial consulting services to the Customer/Client in conjunction with the implementation, RTH would document the Client/Customer's request and RTH services performed, and then report these undertakings to the Customer/Client with a Fee Bill. Please understand that in these situations, it would be the Client/Customer creating the Work-Order and Cost-Charges. Accordingly, these situations are not "double-charges." Please further understand that due to the structure of financial Regulations, when Commissions from Securities are earned by RTH, this income is earned into RTHSBF,LLC. When non-Securities Commissions (typically for Insurance placements) are earned by RTH, this income is usually earned into RTHLIP,LLC. When Investment Management (Securities Management, Derivatives Management, or a RTH-applied Trading Program) is acquired by Client/Customer, Investment Management Fees are earned into RTHRIA,LLC. The Customer/Client is to understand that these cost-charging policies and methods of RTH are always disclosed to the Customer/Client in writing. Accordingly, it is imperative that if potential cost charges ever start to look like a budget-difficulty for you (the Customer/Client), you are to effectively inform RTH in writing the moment you know that you have encountered a budget difficulty. Please also remember that with financial products that are "No Load," the Product Maker does not pay any compensation to RTH at all. In "No Loads," RTH earns Fees that are charged by Fee-Billings to Customer/Client.

3. After an implementation is done for Customer/Client, and you (the Customer/Client) now have a new Securities or Insurance account (financial account) opened, the Product Makers may pay what is called "Trail Compensation" to RTH each year forward during the time period that your account remains with (at) the Product Maker's firm.

"Trail Compensation" for a Securities-based Account is usually paid to RTH in "basis points," which usually is calculated based on tenths of one percent. For example, if you (the Client/Customer) had RTH implement a \$1,000,000 account, if the basis points payment to RTH (as decided and formulated by the Product Maker) is .20 (two tenths of one percent), the annual compensation paid to RTH would be  $(\$1,000,000 \times .002) = \$2,000$ .

"Trail Compensation" for a Life Insurance-based Account is usually paid to RTH based on an annual percentage that is applied to subsequent (year-2 and forward) Premiums paid to the Product-Maker, with this Percentage commonly ranging from as high as 3%, to as low as 2%. For example, if your Annual Life Insurance Premium payment in year #2 was \$10,000., and if the percentage payment to RTH is 3%, the compensation paid to RTH would be  $(\$10,000 \times .03) = \$300$ .

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(Item-Section #10, continued)

RTH'S ETHICAL POLICY and PROCEDURE  
FOR AVOIDING "DOUBLE-CHARGES"  
TO A CUSTOMER-CLIENT WITH RESPECT TO  
"TRAIL COMPENSATIONS":

If a Client/Customer establishes an Engagement Agreement in which RTH is annually paid a Fee for specified RTH services (for example: "RTH is to be paid 1% annually based-on the specified \$1,000,000 Account Value, which would periodically (say annually) be different in actual value (as the account rises or falls in value over time), the annual compensation paid to RTH would be  $(\$1,000,000 \times .01) = \$10,000$ . However, if a Product Maker was already paying RTH "Trail Compensation" Basis Points of say .20 (meaning on the same/identical assets), since RTH is already being partially paid \$2,000 per year by the Product Maker, RTH would remove this \$2,000 amount from the Client/Customer agreed amount of \$10,000, resulting in RTH charging a net amount to Client/Customer of \$8,000. Accordingly, the RTH Client/Customer is to clearly understand that based on this billing procedure, RTH avoids (removes) the potential scenario of "Double-Charging." Please remember: the overriding applied Ethical Principle and Ethical Policy of RTH charges to Client/Customers is that the Client/Customer, in advance agreement via written documentation, negotiates with RTH and determines with RTH the amount of cost-designs that the Client/Customer finds acceptable and agrees to paying RTH. In other words, it is the Client/Customer who decides the amount of compensation to RTH (which, properly so, is subjected to RTH's acceptance or declination). After this Client/Customer-decided compensation amount is set, thereafter, RTH deducts Product-Maker payments received by RTH (meaning on the same/identical assets) from the Client/Customer decided compensation amount to avoid (remove) the potential scenario of "Double Charges."

Respectfully, Client/Customer is to understand that cost charges of financial Product Makers usually must be structured according to Regulatory guideline sizes, then specifically set into advance disclosure documents (such as a Prospectus). Due to this structure, the financial Product Maker's published charges usually are not (or, may not be) negotiable (they are mass-published, menu-style pricings, and as such, it may not be possible for their Cost Charges to be negotiated). The purposes of Regulated structured pricing is to protect the public in these mass-distributed offerings. In contrast, when a Client/Customer engages RTH, it represents an undertaking occurring only between two parties (RTH and the Client/Customer). Accordingly, the right of compensation negotiation is offered to you (the Client/Customer) so that you agree in advance the amount paid to RTH according to RTH described methodologies.

Clients/Financial Account Owners should be in understanding that there can be improper ("Red Flag") reasons for underpaying as well as for overpaying compensation amounts to RTHFC/RTH (or any authorized financial professional).

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Known and Probable Conflicts Of Interest  
That You Shall Encounter As You Work With RTHFC

(NOTE: This is not a list of all possible circumstances. Such a list is impossible to create)

- RTHFC tries to conduct business according to a policy of not having Client's financial information transmitting or residing in the realm of the Internet UNLESS Client first directs (authorizes) RTH to do so (in writing, with Client's signature and date). However, RTH from time-to-time observes Financial Institutions (such as Custodian Financial Institutions) placing Client's financial information into the realm of the Internet without Client (Account Owner's) permission. Also, sometimes Financial Institutions do this in an indirect way by placing a RTH-copy of Client's paper financial documentation into the Internet (without Client or RTH authorization). Also, Financial Institutions may provide Client's financial information to a Third Party, with the Third Party then placing Client's financial information into the Internet (here again, without Client or RTH authorization). Client is to understand: RTH cannot control how Financial Institutions handle your data. This is a Conflict of Interests which can exist at any time Client places financial assets or financial information with a Financial Institution. If or when circumstances arise in which a Financial Institution starts to only issue and receive Client information through the Internet, RTH will continue to try to work with Client according to Client's directives in this matter within the laws of our Country.
- RE: Investments: Circumstances where Mr. Robert T. Hickman or Mr. Hickman's immediate family invest in the same investments that Clients invest in. RTHFC have the following procedures and pledges in place to assure you that Mr. Hickman's (or Firm employees) positions and activities that are in the same investments that you invest in are NOT in a Conflict with investments in ways that could result in a detriment to you:

Personal (and Firm Employee) securities transactions are diagnosed before and during each Trade Execution, ongoingly, in order to ascertain that no elements of these Trades occur ahead-of, or in any other way more-advantageously or exploitatively, relative to (in comparison to) Client/Customer transactions. Any incidents discovered are documented and posted into an Exceptions Blotter. If a Trade Correction or a Trade Protest is called-for, it is formally resolved as fast as the speed of available information for correction is generated. The investor is to understand that although RTH enters Trade Orders, RTH cannot see inside of, nor control the operations that occur within Market Provision & Execution Operation Centers. RTH is not a participant in these execution areas of the financial marketplace. Independent Qualified Custodian Institutions hold all account assets. Each and every Account is separate to each and every Investor. RTHFC, to date, do not conduct Agency Cross Transactions (executing Client transactions, Buys or Sells, to and with another Client on the other side of the transaction).

- Regulatory Rules, as they increase, make our annual cost and risk of carrying your account with us more and more expensive. It should be obvious that a Professional Firm must only carry sufficiently-profitable accounts. Businesses that carry non-profitable accounts are on a road to self-destruction. The regulatory burden is in direct conflict with the Cost size element of your account. It should also be obvious to you that very large companies that choose to carry non profitable accounts choose only to do so because they are gaining profit in some other indirectly-connected way (with your finances).

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When regulatory rules are properly executed, they do serve to protect the investing public and to ascertain ethical and proper professional conduct and procedure. However, the amount, complexity, and all forms of cost charges and assessments by all types of regulatory entities, are in direct conflict with the Cost size element of your account. The cost of regulation, in whatever form or formula, is passed on to the buying Consumer. It is also important to note that when regulation work is done properly and in an optimum fashion, it usually is LESS COSTLY than when it is done incorrectly. Evaluation of this Cost Factor is not only measured in dollars paid, but also in application of procedure to accomplish Compliance (which results in being either efficiently effective, or inefficient and wasteful).

- Compensation as a Cost element of your account: Financial Professionals work for their Clients not only according to the Rules of Ethical Conduct, but also according to a "Fiduciary Standard." This means that the work a Financial Professional does for a Client must be in the best interest of the Client (which, as a Client, is what you should want). The lifeblood which enables provision of this standard of the highest level of Financial Professional Services is Compensation. Compensation is the fuel that makes these services go on. Therefore, Compensation provisions serve the best interest of Clients. Disruptions or extractions of Compensation that are not ordered by a Client are in direct conflict with the provisional design of services which were constructed by the Client. Accordingly, as a Client of RTHFC, we alert you of this conflict. Should any compensation disruption, reduction, or extraction occur which was not pursuant to your Order or Request, a conflict occurs against your best interest. And if this conflict involves monies in an account that you own, your Rights are paramount to any other person or entity. You are the ultimate "boss" of your account. No one is to conflict with your Orders, as relative to your assets, and your rights to decide how you operate your financial asset matters.

An example comprehensive-disclosure-design Prospectus Receipt Form is attached to this SEC Form ADV, Part-2. If you are an Investment Client of R.T. Hickman, you are to study all of SEC Form ADV-2. Within the Prospectus Receipt Form, in the areas of Costs and Compensation, you will learn about how the Compensation design(s) and amount(s) that you Order to structure for payment to RTH, could come into conflict with Regulator(s) if they attempt to change(lessen) your chosen and designed Compensation amount, and thus cause a Conflict that could be counter to our agreed Compensation Arrangement. Please understand here: The SEC has formally published, as a Rule Declaration, the "the interest of the Investor is paramount to any other Interest."

Another dimension to Conflicts of Interests in application of Regulations and Ethical Conduct is in how a financial services person provides services to you. R.T. Hickman serves Clientele as a Professional Practitioner (a Professional in Public Practice). R.T. Hickman does not serve as a Salesperson or Product Distributor. Regulatory conflicts arise when regulatory rules are formed to control the behavior and methods of product sellers and distributors, but in which these rules or regulations are not adopted to operate to accommodate the relationship between the Client-Investor and the client's Financial Professional. As of 2004, Licensed and Professionally-Designated Financial Professionals are bound to

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Codes of Conduct and Procedure that are at a higher Ethical Standard than what Financial Salespeople and/or Financial Product Distributors are bound to. And, as previously explained, a Client usually has an extremely important working relationship Agreement with his/her Financial Professional, with a very important part of that Agreement being provision of Compensation to the Financial Professional. If investment or insurance regulatory rules come into Conflict with a Client's compensation provision to their Financial Professional, the Client is to understand that the SEC's position is that "the interest of the Investor is paramount to any other Interest."

- Information Created and/or Conducted From Computer Systems of Third Party (non-RTHFC) entities:

It must be understood that when any third party computer system functions for you (your account, or for any of your assets) in any way, including any and all Internet functions, these functions are not activities of RTHFC. The RTHFC does not have direct control over third party computer systems. If you believe that we can call an Entity and direct the functions of their computers, it is simply not true. In fact, we have found that highest level corporate Officers have not been able to manage inappropriate computer functions (in the company they run). Accordingly, RTHFC disclaims any and all responsibility to all third party computer system functions.

This potential dilemma faces us all. It further emphasizes why we (the RTHFC) require our Clients to acknowledge their responsibility in our working relationship that every Client must timely read all report and any literature data that is issued to them. Computers can malfunction, which demonstrates another significant reason of why all RTHFC Clients must timely, ongoingly, read their information. For further information on this subject, please refer to RTHFC's master Services Engagement Agreement.

- Please also refer to:
  - The accompanying document entitled: Special "High Concern" Conflicts of Interest Pertaining To Investments;
  - Section 2 of RTHFC's Service Engagement Agreement Document;
  - RTHSB's "Prospectus Receipt Form," sections of explanation on benefits received by RTHSB from Financial Product Makers/Providers. (RTHSB does not participate in "Revenue Sharing" style of arrangements).
  - Any other RTH Disclosure document that is specific to your engagement with RTH (within disclosure sections that explain Risks, Compensation, Conflicts Of Interests, etc.).

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- Special "High Concern" Conflicts Of Interest Pertaining To Investments;
- Financial Industry Areas Calling for Your Cautious Watch and Heightened Guard;
- and
- How R.T. Hickman Provides Ethical Conduct and Management In These "High Concern" Conflicting Circumstances

**1. Personal Trading and Personal Business Undertakings by RTHFC Investment Advisory Personnel:**

- A) Personal SECURITIES transactions and categories of ownership of RTHFC personnel, and the direct family of Robert T. Hickman;
- B) Personal business undertakings of Robert T. Hickman which have or could have relevance to RTHFC investment advisory or management services provided to investing Clientele.

These activities are monitored daily. All transactions are required to be performed according to a procedure of "Best Execution." Also, RTHFC follow a credo of watching-out for any unfair value dilution effects or methods upon Client holdings and accounts. All methods, procedures, and activities proceed according to a vigilant mindset of valid purpose for investors, our Clients, the marketplace, and proper Firm undertakings.

2. RTHFC prohibit using nonpublic, private business information which could be encountered in Client data, some of which could even be "INSIDE INFORMATION," within the context of Securities Investing and/or Trading. RTHFC view such efforts as a distortion of fair market pricing, which causes negative dilutive effects to all securities holders. RTHFC monitors to prevent such abuses.

Regulators monitor and have monitored personal financial information of Robert T. Hickman:

Although Personal Securities data of Robert T. Hickman and/or Hickman family is of a necessary protected confidential nature, prohibited from disclosure to the Public, such data is permitted for viewing by secured, monitored, special government/regulator appointed and authorized persons who are also responsible to conduct their work according to a Fiduciary Standard. The Fiduciary Standard serves to protect integrity to all of us. It is to be particularly noted that a part of the role of a Fiduciary is to ascertain Data Privacy Protection.

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3. Circumventions of the Financial "Fiduciary Process:"

Your Investment Adviser serves you according to a Fiduciary Standard. As a Professional Financial Practitioner, a Fiduciary Process directs the way in which Client work is done. This process can be circumvented (knocked-off-track) when Clients communicate with others about their finances without including R.T. Hickman in these strategic sessions. The rule at RTHFC is that before you discuss financial matters with anyone or any place else, you are to provide this information to RTHFC on RTHFC's List of Other "Trusted Persons" Form (refer to your RTHFC "Services Engagement Agreement"). These people or places become a part of the basis of your decisions. If anyone or any place (Accountant, Attorney, Banker, Broker, Insurance Agent, or any other person who you trust enough to ask) refuses (disagrees with you) to disclosure entry onto your RTHFC List of Other "Trusted Persons" Form, and if you work with them (which you have the Right to do), this results in a circumvention of the Fiduciary Process.

This is a Conflict of Interests. If a Client does this, they are then acting outside of the Terms of our (the RTHFC) Services Agreement. And it is to be understood that the person or place you are "trusting" is conducting services in a way which circumvents the Fiduciary Process.

One simple, but very important Rule to remember regarding Investment Portfolio Accounts is:

Two different parties should not be positioning a portfolio account at the same time. Conflicting positioning decisions will destroy a Portfolio.

4. Distinguishing responsibility and potential Conflicts of Interest relative to:

- Who the actual Creator, Maker, Operator, and Provider (CMOP) of the Financial Product is; and
- If the CMOP makes available its financial product through a separate division or entity, which are commonly called "Distributors" and/or "Wholesalers": DO THESE SEPARATE DIVISIONS EXIST TO IMPROVE OR BETTER-COMPLY WITH FIDUCIARY PROCESS (Fiduciary Methodology), or, DO THESE SEPARATE DIVISIONS EXIST TO MOVE-AWAY FROM, AVOID, OR CIRCUMVENT FIDUCIARY PROCESS? and
- If the CMOP makes available its financial product through a separate division or entity, does this arrangement serve to improve the CMOP's attendance to responsibilities to the Investor and the Investor's Consultants, or, does the separate division arrangement function to erode or obviate (distract) attendance to fulfillment of responsibilities which pertain to these precious accounts?

The actual day-to-day functions of these provisional facilities must be fulfilling and not deflective. Deflections of responsibilities which are duties and provisions of the financial product Creator-Maker cause improper Conflicts Of Interest.

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It is to be understood by the reader that if a CMOP, Distributor, or Wholesaler avoids Fiduciary Methodologies of attendance to their functions and provisions relative to your account (your account includes the needs of your engaged assisting Financial Consultant), there exists a Conflict Of Interests. CMOPs may posture themselves by stating that their Primary duty is to their Shareholders. If Shareholder Boards do not enforce responsible attendance to their customers which are financial asset accounts, the reader is to understand there then exists a Conflict Of Interests.

Attendance to execution of Client Transactions is another area where operations are divided into separate company entities in such ways where Conflicts Of Interest exist. For example, Introducing and Clearing Firms in which Client required Transactions (Trades) are executed, which are done through Computer Trading Platforms, commonly separate the Computer Providing Platform entity from the Introducing and Clearing Securities Firms. In addition, the Investor is required to hold all of these separated firms Harmless. This is a prevalent Conflict Of Interests. The Investor seeks responsible handling of these core and necessary functions, however the Trading Provisional firms stipulate separations of responsible parties of a common or affiliated group, and being held harmless. Without practical alternatives, these Conflicts Of Interests are inevitably encountered. The investor is to also bear in mind that the operation of filling Transaction Orders, as within these order filling entities, is not suppose to be a place of operation in which the Investor is granted insurance protection or guarantees. When Trades are filled, there is not a guaranteed outcome.

The reader is to also understand that it is difficult and sometimes impossible to discern these types of Conflicts Of Interest. They are not always disclosed in writing. They are encountered as functions of entities are experienced by Investors and their Financial Consultants. And adding to this unclarity is the fact that protocols and missions of Provisional Entities do change over time, including Mergers, Acquisitions, Spinoffs, etc. The reader is to understand that these types of Conflicts Of Interests can unknowingly evolve during your financial account experience.

The reader is to also understand that this area of Conflicts Of Interests has important application to Self-Regulating-Organizations (SROs), and also to Sponsors and Trustees of Retirement Plan Investments who may function in-concert with Financial Product Maker-Providers.

The Client is to be informed that the SEC's position is that "the interests of the Investor is paramount to any other interest." Restated for the employee:

"The interests of the Employee-Investor is paramount to any other Interest."

When RTH attempts to help you with your financial account, if the CMOP only makes available staff without authority to attend to your needs or resolve your issues, without allowing you or RTH to have access to people with actual authority over your account at the CMOP, this can create a situation of being "stuck" without a solution. This is another Conflict Of Interests scenario. Truly accommodating financial product makers (CMOPs) will make every proper effort to resolve issues, doing so with respect

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of RTH's mediating position, and having persons of authority availing themselves to you and RTH. Client is to understand that RTH does not have "special powers" to direct what CMOPs do or don't do. CMOPs can even decide to shut-down provisions or services to RTH. Also bear in mind that CMOPs many times reorganize, merge, spin-off, etc. Corporate policies, departments, and service then changes for better or worse. Client is to be aware that these unforeseeable evolutions come with having a financial account at a financial institution.

As of 2004, it became encouraging to see certain regulatory bodies attempting to clarify, by mandate, disclosure of some of these types of information items. The RTHFC believe that a national standardized presentation format is necessary, which provides all financial account owners and their Consultants a clear picture of who is responsible to enforce proper attendance in these matters (who, where, what, and how).

The Financial Account Owner is to clearly understand: Regardless of who is showing a financial product to you, what a financial product does and how it functions is an invention of the person or place that made the product, and of those who actually operate the product. If you purchase a product directly (without anyone else showing it to you), if the product does not do what it was made to do, nor what it discloses it shall or should do, it is the Maker and/or Operator who bears responsibility. This is another reason why Congress requires every Investor-Buyer to read the Prospectus. The Prospectus is the Product Maker(s) and Operator(s) DISCLOSURE DOCUMENT to you. In other words, the Prospectus is the designated document in which the Product Maker is speaking directly to you, the Buyer-Consumer.

Further Cautious Watch and Heightened Guard:

Some financial implementations require that you first have prepared (by a qualified relevantly-specialized Attorney) formal legal documents which clearly structure (according to the applicable requirements of law) matters such as Property Ownership Rights and Property Functional Rights and Purposes. For example, a Retirement Plan, or, financial assets owned and operated within a Trust, are types of accounts that commonly require formative Legal Documents to first be drafted BEFORE financial implementations for these types of Accounts can be done. Here is where a Client/Customer and the Client/Customer's attorney may ask the Financial Product-Maker Company for legal help. But if the Financial Product-Maker Company (directly or indirectly) provides the methods for your attorney to draft your Legal Documents, a Conflict Of Interests arises because your legal documents become an implementation formed for you from the Financial Product-Making Company where you wish to purchase your financial product from. Your concern here is that you must watch out for a loss of legal objectivity and legal independence in the work you receive from your Attorney. To avoid this Conflict Of Interests, your Attorney should instead help you to locate the exact type of specialized legal expertise that your financial matters call-for, from legal sources that do not have any dealings with the Financial Product-Maker Company that you are analyzing to purchase a financial product from. In doing so, the Client/Customer assures an objective approach and evaluation to these kinds of financial implementations which require first-established legal documents and legal-formalized-settings.

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Client/Customer needs to also be "On Guard" for this type of Conflict Of Interests concern with respect to Trustees acting for the Client/Customer, as well as for any Professional that Client Customer engages.

5. Potential "FREEZE" of Client's assets in Client's account or "FREEZE" of entire Client account by Third Parties (which are not RTH companies); and potential Data System Access "Shut-Offs" by such Third Parties:

Client is to understand that any Third Party Firm, at any time, has the ability to "FREEZE" or "Shut-Off" RTH from working access to and with your account at any time, and, Third Party Firms have the ability to "FREEZE" or "Shut-Off" you (the account owner) from access as well, also at any time. Financial Firms must have valid cause to do this, and may only do this if they are so empowered by federal or state law/regulation. If you ever encounter this type of extraordinary situation, please understand that RTH does not have power or authority to release you. In case you ever need to resort to them, please be informed of the two highest categories of Investment or Insurance Bureaus in our USA:

-NATIONALLY: For SECURITIES: The Securities and Exchange Commission.

For COMMODITIES: The Commodity Futures Trading Commission.

-STATE-BY-STATE: Office of your Attorney General, Division for Investments/Securities, and for Insurance, also your State Insurance Commissioner.

**Risk of Financial Account Distractions or Malfunctions caused  
from Flawed or Misapplied Computer "User Account Settings/Configurations"**

Besides the risks of Disclaimers, Hold-Harmless Clauses, and "Loopholes" in financial account relationship documents, there are two other areas in US financial markets where there also seems to be an incredible lack of regulatory monitoring for safeguarding the public. This risk exists in the departments and persons within financial firms and institutions who decide and implement "User Account Settings" and "User Configurations" in Computer Workstations that operate throughout financial firms. The designs of "User Account Settings" (Data Access, Data Enablement, and Data Denied settings) have a mass effect on financial commerce. Some of the user policies occurring within these computer environments are indeed financially destructive. Even further, various cases could be viewed as conduct of "illegal-configurative-activity." One way in which financial regulators have attempted to protect the financial public from this pitfall has been to ask financial firms to caution financial account system users to have a second (different) financial firm's Account System on stand-by, to be alternatively used if the current Account System fails to handle matters as the Account Owner wants or needs. However, what U.S. financial Account Owners actually want is for our financial regulators to ascertain that the systems of financial firms function without failure and without relationship document "Loophole" risks. U.S. financial Account Owners do not want the troubles and difficulties of switching financial firms. However, short of these issues being firmly brought under control, RTH hereby alerts financial Account Owners to become familiar with the FINRA/NASD's Uniform Practice Code "SAMPLE

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CUSTOMER ACCOUNT TRANSFER FORM Set" so that, at least if you (the Customer) must change financial firms, you will be equipped with the formative "know-how" to effectively do so.

Please also refer to the "Additional Important Reminders" section located at the end of #6 in this document.

6. Based on RTHFC actual encounters and experience, we find financial Custodian and Clearing Firms, which by law and regulation are firms empowered and responsible with the duties of securities sustenance via the rules of margin and liens, account protection, and technological security, attempting to hold themselves harmless from these responsibilities through formal document terms designed to have the Investor or the Investor-with-Advisor assuming these responsibilities, in ways purposing to protect the Custodian and Clearing Firms. These formal terms can be abusive and exploitative, even though applied through entities having government-granted empowerments under laws such as those for Qualified Custodians; meaning, they can cause conflict with the purposes or financial needs of the Investor or Investor-with-Advisor. These documentary relationship terms can create risks upon the Investor, or Investor-with-Advisor, which lawmakers intended only Qualified Institutions to handle. If Custodian or Clearing Firms do not properly assume their duties (or be strictly controlled within these enormously important roles), it could raise the need for the Citizens of the United States, with the Government(s) of the United States, to take possession of the Financial Market Exchanges and Market Maker facilities (Eminent Domain). In the year 2008, the consequences of this Institutional "High Concern" became substantiated with Washington's "Rescue Plan." This brings-to-light the warning that when you see financial firms such as Custodian Firms, Clearing Firms, Institutional Trusts, etc disclosing "Hold Harmless" or "Disclaimer-Of-Responsibility" clauses in duties that these Firms are inherently responsible for, the Investor (Financial Account Owner) should not entirely trust such financial entities. Also understand that it makes financial sense for a financial entity to disclaim responsibility for activities that it cannot or should not be responsible for. These types of proper disclaimers help a financial Account Owner to see issues of risk, which helps the financial Account Owner to then manage risk.

- When RTH resorts to third party financial institutions, firms, or companies to obtain financial vehicles, instruments, and solutions that are used for the RTH services and solutions that are provided to Clients, RTH looks for third parties that have superior and distinctive abilities to accomplish the needed and intended functions. However, before working with RTH, the Client is to clearly understand that Conflict Of Interests in Account and Agreement conditions normally and most-commonly exists in these three-party arrangements. Third party financial institutions, firms, and companies usually require you (the Customer-Client) to hold the third party financial institution harmless from liability (with respect to your Account) for any losses that you (the Customer-Client) might incur—but also with this hold-harmless also being applied to RTH (who works for you as your financial advisor). What this means is that if you should ever decide to pursue legal remedy from third party financial institutions, firms, or companies, RTH cannot help you, and these companies would also then attempt to take action against RTH because of you taking action against them.

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(Note that these kinds of conditions basically “knock-out” your ability to have your own independent and truly-objective Financial Advisor). Because of these common third-party-mandated legal protections (which seem to exist at every third-party financial entity), two strategic responsive thoughts arise:

- A. Don't use such third parties, (but understand in this decision you may then not find any third party who will agree to do business with you);

or

- B. If the third parties have worthwhile financial vehicles, instruments, and solutions for your needs or desires, use them with extra caution, meaning, if financial matters start to evolve into undesirable results, promptly conclude utilizing the third party entity(ies) – which, remember, you would do so after analyzing the potential effects of any Back-End charges that might apply.

With these unfair relationship document “Disclaimers,” “Hold-Harmless-Clauses,” and “Loopholes” being so prevalent, do not conduct your financial matters with an expectation or assumption that our US regulatory framework will put a stop to them. Since RTH can only provide financial solutions based on only what availing and credible third parties exist in the financial marketplace, and based on the kinds of desired financial vehicles, instruments, and solutions that exist in the financial marketplace, it is common for RTH to deliver solutions to you following Decision-B (above). But in doing so (Decision-B), please understand that this is a Conflict Of Your (the Client's) Interests in which you must hereby understand in-advance, and proceed (if you choose to do so) with the above-described extra (heightened) caution of this added risk that you take-on. Also realize that many Sales or Service people at financial firms do not know or follow their own firm's relationship agreement terms.

For a deeper understanding of Three-Party arrangements, Client may specifically request and refer to RTH informational document entitled:

“Customer's advance study (Advance DISCLOSURE)  
of the following Three-Party (triangular) method that  
R. T. Hickman applies to Customer's Account for the  
formation and maintenance of a SUITABLE account  
for Customer/Client.”

Client is to further understand that, commonly, the third party financial firms which actually HOLD your monies (your funds) and/or CLEAR (actually execute transactions of/movements of) your monies, also have in their Agreements with you Hold-Harmless Conditions (as previously described). In addition, please remember that no R. T. Hickman Financial Company is a Custodian or Clearing firm. What this means is that if you bring your monies to custodial places for safekeeping, even though you do so for the purpose of having your monies safely-kept and safely transacted/cleared, if your monies or asset values

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are lost, you (and RTH as your Advisor) are commonly asked to hold these financial entities harmless (according to your Agreement with them). Usually you must read the fine-print of your Account Application Agreement terms with these third party financial entities to see these conditions. The RTHFC hereby distinctly bring these conditions of concern to your attention. The RTHFC hereby alert you to look for these terms in any and every financial account you have at any and every financial entity where your monies are located.

PLEASE CLEARLY UNDERSTAND AND DISTINGUISH: There are "Disclaimers" which are proper and valid, and thus logically acceptable; and there are "Disclaimers" which are NOT proper, not valid, and thus should not be accepted. When you see any "Disclaimer," ask yourself: ...Is this "Disclaimer" fair and proper, or, is this "Disclaimer" unacceptable? If you determine that the "Disclaimer" is unacceptable (for your needs), you should ask the Agreement-Offeree to remove the "Disclaimer" or to change it. The Agreement-Offeree would then either accommodate your request, or decline your business.

**ADDITIONAL ALERT \*\* SPECIAL CAUTION:**

Investors and Account Owners (including your Attorneys and other Consultants) are CAUTIONED that if any Third Party (relative to the financial work that you are doing with RTH) ever attempts to imply or enact Investment or Financial Account Discretionary Authority onto RTH without you and RTH having first agreed and executed a Formal Power Of Attorney, please clearly understand that such activity could have the effect of placing your financial account into a status of highly illegal conduct. This is one reason why you must be vigilant over your financial accounts with respect to those in which you have appointed a P.O.A., vs those in which you have not.

Since you would expediently want to move your monies out of any third party financial entity that starts to demonstrate any significant undesirable business practices, please be informed that financial regulators have established Uniform (Standardized) Practice Code FORMS that a Customer is to use to immediately transfer their monies (kinds of accounts and funds) DIRECTLY to another financial firm (the new financial firm would be a place where you (and your Advisor) would be re-establishing confidence). As one EXAMPLE, attached is a copy of FINRA's (NASD's) "SAMPLE TRANSFER INSTRUCTION FORMS." In the financial industry, this form is also known as an "ACAT" form. Please study this form so that you are knowledgeable of what an "ACAT" form is, so that if you ever decide to urgently DIRECTLY transfer your monies to another financial institution, you would know how to expediently and instructively do so from your reference to this SAMPLE form. (Please note that over time, this SAMPLE form is subject to change).

**This disclosure area demonstrates an important reason of why  
you (the Investor) should NOT linger in a Financial Account  
where significant issues start to emerge which you find  
concerning or unacceptable.**

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ADDITIONAL IMPORTANT REMINDERS:

Before you switch any financial account, always first inquire about what costs that may be charged to you by the entity you are moving out of, and what costs that may be charged by the entity you are moving into. This analysis must also include any tax costs that may apply.

Please also be Alerted to what you should do with an existing Custodian or Clearing Firm in which you have a Financial Advisor acting on your behalf (especially if the Advisor is providing Discretionary Trading Services to you), wherein you wish to conclude the Advisor's services but continue to use the same Custodian or Clearing firm so that you would then personally be managing your own Account. Here's what you are strongly advised and instructed to do:

Before (or no later than at the moment of when) you conclude your Advisor, ORDER, in writing, the Custodian or Clearing Firm to move all of your Funds into a new Account and Account Number that you set-up with the Custodian or Clearing Firm.

Most Clearing and Custodian Firms, as a matter of Security Policy, require you to do this. **Whether they do or not, insist on setting-up a new Account and Account Number. Here's why this is so important:**

When your previous Discretionary Advisor was managing your Account, the Custodian or Clearing Firm computer systems relative to your account were likely grouped with other Client Accounts, with all of them commonly linked to the Advisor. But now you, not your Advisor, shall operate your Account. It is not uncommon that some functions of your Account shall occur in the "Internet Realm." If INTRUSIONS, MISFUNCTIONS, OR ERRORS ever occur through your Account in such a way that it causes losses or damages to any other commonly linked accounts (of other Customers who you do not even know), YOU PERSONALLY would be investigated for your Account's role or participation in damages caused to any and all commonly linked effected Customer accounts. As you should see, this would be a horrible situation that you want to make sure you never encounter.

The way to remove yourself from this risk is to, as explained above, timely ORDER, in writing, movement of all of your Funds into a new Account and Account Number that you set-up with the Custodian or Clearing Firm. By doing this, you create assurance that your account is no longer in a realm of commonly-linked Accounts.

Note that Advisors are suppose to have in place Security Procedures which safeguard commonly linked accounts, although you must realize that it is the computer systems of the Custodian and Clearing Firms that actually HOLD your money. Obviously, the Custodian and Clearing Firms (as the actual Holding of your money) are suppose to have optimum Security and Safeguarding procedures in place to protect your account in any configuration design. But unfortunately, just about every Custodian and Clearing

Continued on next page.

(Item-Section #10, continued)

Firm (in their Agreement documents) disclaim any and all liability, and even further, they usually require you to Hold them Harmless from losses that potentially occur in your Account. When you see these Terms, be on guard because these Terms mean you cannot wholly trust these Firms. But what you can do is give them written ORDERS that remove risks and heighten the safeguarded ways your Account is configured with them. In addition, if you do any of your account activity on-line, you must view and prove-accuracy of your account EVERY DAY, seven days per week. If you will not daily monitor your Account, then absolutely do not operate your account on-line (via the Internet).

**Item-11:**  
**Ethics**  
**(Interests in Client Transactions,**  
**Personal Trading, etc)**

(Item-Section #11)

**RTHFC Outline of all Categories and Disclosure Documents Which Describe  
RTHFC Ethical Procedures (CODE OF ETHICS)**

**I) Overall Financial Undertakings & Consultations Ethics**

- RTHFC Master Services Engagement Agreement Document and affiliated referenced documents (provided to all Clients);
- RTHFC Implementation Methodology & How Compensation is Structured
- Specific Instructional Disclosure Documents about Costs, which are provided to attend to the responsibility of how costs clearly communicated, in advance, to clients PRIOR TO Implementations (provided to all Clients);

**II) Ethics pertaining to Investment Adviser Activities & Securities Implementation**

(provided to all Investment Clients) Please note: The Code of Ethics that RTHRIA ascribes to as an SEC-registered Adviser may be studied at [www.sec.gov/rules/final/ia-2256.htm](http://www.sec.gov/rules/final/ia-2256.htm). Therein, scroll to mid-section of documentation to "275-204A-1 Investment Adviser Codes of Ethics."

**III) Ethics pertaining to Insurance Consultation Activities & Insurance Implementation**  
(provided to all Insurance Clients);

**IV) Ethics pertaining to Financial Product Makers and Financial Product Providers,**  
including their Auditors (internal Codes of Procedure).

**V) RTH Code of Ethical Procedure RE: Investment Advice and Safeguarding Against Potential Conflicts Of Interest As Possibly Caused By Personal Trading Activities Of Investment Advisers (internal Code of Procedure).** Also, refer to Item Section-10, and to Wrap Fee Brochures within accompanying Part 2A Appendix areas.

RTHRIA, LLC (and the RTHFC, LLCs) do not:

- As Principal, buy or sell securities from/to RTH Clients;
- Act as General Partner in a Partnership in which RTH solicits Client investments; nor,
- Act as Investment Adviser to an Investment Company that any of the RTHFC recommend to Clients.

The method of communication and provision of RTHFC Codes or Policies of Ethics is to provide Ethics disclosures before starting work with a Client:

1. On a modular basis (which means that Ethics disclosures will be provided in sections, according to the type of financial work that Client chooses to do with RTHFC. If work engagements are broad in nature (based on what client requests), ALL RTHFC Ethical disclosures may then be provided;
2. To provide them in writing; and

Continued on next page.

(Item-Section #11, continued)

3. To provide Disclosure to Client(s) via a proof-of-delivery method, which serves as Confirmation that:
- A) The Client has reviewed the Terms of the applicable RTHFC-required ethical procedure and pledges to work with RTHFC according to these procedures;
  - B) Proof-Of-Delivery DISCLOSURE creates a mutual record, and a mutual understanding of how RTHFC and the Client pledge to work with each other, which is necessary due to the complexities, importance, and necessary ongoing positive good-faith synergy, to ascertain we shall work in a best-effort to avoid misunderstandings and potentially misleading scenarios, to avoid circumstances where what is wanted or needed is beyond rational possibility, to work together in a way where ongoing monitoring is truly achieved, but with the Client knowing that if the Client chooses to neglect monitoring, the Client does so at their own risk.

NOTES: RTH does not utilize "Lock-Up Periods." Client may conclude engagement at any time.

Clients/FAOs are to also refer to Item Section-10, within the Conflicts Of Interests area for information about ethical procedures applied into these areas.

PROVISION OF COPY:

Various subject-focused areas of RTH's Form ADV Part-2 and RTH Advance Disclosure Brochure data contain descriptions of RTH ethical procedures. RTH also maintains an expansive "Comprehensive Code of Ethics" for Investment and Insurance activities. If a Client wishes to receive a copy of the RTH Comprehensive Code of Ethics, Client is to send a dated and signed written request to RT Hickman.

**Item-12:**  
**Brokerage Practices**  
**(including Soft Dollar, Directed Brokerage,**  
**and etc arrangements)**

(Item-Section #12)

ARRANGEMENTS AND/OR AFFILIATIONS DOES RTHRIA,LLC HAVE WITH RELATED ENTITIES AND/OR PERSONS THAT ARE MATERIAL TO THE ADVISORY BUSINESS OF RTHRIA,LLC WITH ITS CLIENTS, AND, FACTORS CONSIDERED IN SELECTION OF BROKER-DEALER TYPES OF FIRMS (CUSTODIAN AND CLEARING FIRMS) FOR CLIENTS/FAOs:

ARRANGEMENTS/AFFILIATIONS:

Refer to Item Section #10.

FACTORS CONSIDERED FOR SELECTION:

Some of the material factors that RTH considers in selecting or recommending Broker-Dealers other than RTHSBF (i.e.-Clearing Firms, as well as Product-Maker/Issuer Firms), or Custodian Entities for Client needs are:

1. Solvency, security, and continuity capacity;
2. Willingness of Transparency (meaning proper, non-exploitative Transparency);
3. Best qualitative executions or provisions as relative to the type of required investment;
4. Functional suitability and reliability: the Entity's ability to properly accommodate Client(s) needs;
5. Technological methods and technological suitability;
6. The preferences and desires of Client(s), in balance with Entity's quality of response and receptivity to RTH's (and Client's) vetting attempts (the Entity's willingness to be cooperative with RTH and Client proper requests, and how issues are handled, including the Entity's staff conduct encountered). Departures from properly-applied rationality are viewed by RTH as a Red Flag;
7. A demonstrated respect-for and committed vigilance-to Fiduciary Principles;
8. Fairness of dealings, and competitiveness of Price. (Please note: RTH examines to see if size of price would be materially detrimental to the relative Investment);
9. Conflicts of Interests and Disciplinary/Legal histories (standing with regulators, responsible attendance thereto, and devotion to effective/proper resolution);
10. Vigilance and devotion in maintenance of Investor's Rights;
11. Whether or not the different departments of an Entity act concertedly in the best interest of the Investor, or otherwise, if Conflicts of Interests are detected.

Continued on next page.



(Item-Section #12, continued)

BENEFITS THAT RTH RECEIVES FROM THIRD PARTY UNRELATED AND NONAFFILIATED BROKER-DEALER FIRMS, OR ANY OTHER THIRD-PARTY FIRMS:

-NONE. Stated more specifically:

RTH does not receive, nor seek to receive research or any other products or services from third parties.

RTH does not accept, nor seek to arrange higher (than market norms) Commissions (or Markups or Markdowns) in return for benefits (a/k/a "soft dollar benefits").

12. The RTHFC do not engage-in or undertake "Soft Dollar" relationships or agreements. Distinction: since relevant Continuing Professional Education (CPE) is in the best interest of Clients/FAOs, the RTHFC will accept free CPE which may include a sustenance at seminar" meal; with Clients/FAOs here being in understanding that these provisions from third-party-providers not being "vacation getaways," etc. – ie – not representing "Soft Dollar Arrangements" and not being a conflict of interests.

RTH does not receive referrals from any third party broker-dealers or third party firms. RTH does not enter into these incentive arrangements.

RTH does not receive, nor seek to receive prizes or awards.

RTH does not pay others for Clients referred to RTH.

De Minimis exception: Generally speaking, financial regulations permit gifts (such as during holidays) of up to \$50 per year. RTH shall accept a De Minimis gift since the values are small enough to not effect any Conflicts of Interests. Also, if RTH is invited to an educational seminar (not meaning a vacation getaway), RTH may attend. Education is a necessary part of service to Clients (not a Conflict of Interests).

## **Item-13: Reviews of Accounts**

(Item-Section #13)

**Review of Accounts:**

**REVIEWS:**

Clients are structured in professionally managed investment funds and/or accounts. Clients receive monthly or quarterly custodian and/or portfolio statements for their review (see also Item-Section #15 "Custody of Client Funds or Securities"). Investments are periodically reviewed with client to determine if positions held are consistent with the investment objectives of the client, and the outlook in relative markets. We are constantly available to our clients. Each client decides when and at what frequency a monitoring, update, and evaluation conference shall be conducted. Clients work with RTH according to terms of RTH Agreement and Disclosure documents (which are the protocol of relationships between RTH and Clients).

**REVIEWERS:**

All accounts are reviewed by Robert T. Hickman. Robert T. Hickman is the Firm Principal of RTHRIA, LLC.

**B. Describe below the nature and frequency of regular reports to clients on their accounts.**

The client receives a confirmation of each transaction from the Custodian and/or Clearing facility serving the "Portfolio Maker" (meaning, the one who built, and when required, executed changes to the Portfolio). Clients are also provided with monthly or quarterly custodian and/or portfolio statements from these third-party service providers. Statements contain the name and amount of each security; current market value of each security, and detail of transactions for month or for quarter. Please understand that third party "Portfolio Makers," with their Valuers and Auditors, determine the reporting-accuracy of Asset Values on Investor Statements. "Unit Investment Securities Providers" report underlying composite valuations in their "Schedules (Lists) of Investments Reports" (which usually are periodically independently audited).

When the Portfolio Maker is not RT Hickman, values that appear on Transaction Confirmation Statements and Periodic Portfolio Statements are not verified by RT Hickman. A Client could request (hire) RTHFEC, LLC to verify valuations (such as when done through audit procedures to report on the integrity of reported values), but the conditions and conflicts described in the next paragraph would first have to be settled with Client. An example of when RTH is not the "Portfolio Maker" is when Unit Investment Securities (such as Mutual Funds) are used in a Client's portfolio. In these designs, Client refers to the Issuer's Prospectus-type of disclosures to be informed of how values are verified.

When RTH is engaged as the "Portfolio Maker," RTH verifies values to every Transaction and Closing Reporting Period. Values are based on "Current Market/Readily Available (liquid) Prices" procedurally supported by real-time captured screen-shots derived from multiple price-feeder composites (according to market availability). Closing Prices are also utilized for reconciliation-controls of valuations, which are also documentary-supported. If/when RTH encounters a material variance, RTH timely enacts price (or volume) procedures.

Clients/FAOs are to distinguish that the RTHFC are not Auditors or Integrity-Verifiers of Exchanges, ECNs, (price-posting facilities). To understand how these entities ensure integrity, FAOs must refer to the independent audited reports of these entities. The RTHFC are not authorized "parties-of-access" into these entities for proving their integrity. Usually, Independent Auditors are engaged by these entities in which the Auditors are granted "authority-of-access" to test the credibility and integrity of these entities.

Continued on next page.

(Item-Section #13, continued)

Clients/FAOs are to also discern that a common practice of Issuers (Investment or Insurance Product-Makers) is for them to configure the making, storage, and provisions/deliveries of Client's Account Statements (meaning your Account Statements) from a place (a Firm or Facility) that is not where the Issuer resides. This "third-party-handler" configuration may also be commonly applied when Client Transactional Transmittances and/or Profile Status matters (your matters) are executed. Financial regulators require Issuers/Investment Product Makers who configure these arrangements to apply vetting methods to assure integrity in these third-party-handlings. Clients/FAOs are to distinguish that the RTHFC are not companies that build these types of configurations. Issuers/Product Makers are to publish (in "Prospectus"-types of disclosures) their Third-Party Configurations so that Clients are properly informed about these arrangements. Clients are to further understand that third-party handlers may be in place, even if only the Issuer/Product-Maker's name appears on Client's Account Statements. Furthermore, Clients are to understand that Issuers/Product-Makers may not have primary or preeminent controls over these functions and responsibilities. Accordingly, integrity-assurance within these functions resides within each "third-party-handler," and in these configurations, each Issuer/Product-Maker is responsible for applying perpetual vetting procedures, including advance-determinations that all utilized third parties are each registered with all applicable regulatory bureaus and organizations.

Besides Confirmations and Statements which are provided to each investor and to RTHRIA, LLC from third-party providers, RTHRIA clients may engage R. T. Hickman Financial & Estate Consultants, LLC (RTHFEC) to provide accountings (accounting type of reports) to the Investor/Account Owner. These accountings are not "audits" of reported investment data and as such, they do not verify Valuations. These accountings are usually ordered (requested) by the Investor in order to enhance understanding of the investor's holdings through further report-clarity, descriptive presentation, and analyses of results. These accounting reports do not serve to "advise" the investor, nor to "manage" the client's holdings, buys or sells; nor do they provide recommendations. Each client decides when and at what frequency RTHFEC accountings are to be provided. These accountings depict the data of "Portfolio Makers" and/or Custodians.\* These Third Parties are the originators of reported amounts and financial data. Should a Client ever request Valuation Services from RTH, Client would engage RTHFEC, LLC (refer to the RTH document entitled: "The RTHFC Financial & Estate Consulting Services and Financial Vehicle/Product Implementation Services Engagement Agreement," at Section D – Subsidiary Engagement Agreements). Please note that if RTH provides independent "Valuation Services," RTH may then not be a party-of-access (a Discretionary Trader) to the valued assets since doing both would result in RTH not being independent (it is extremely important for every investor to understand what this sentence means).

With respect to verification of Account Values, all RTH Clients are provided with two "Self-Review and Preparation Forms," which Clients are requested to prepare and follow to guard their Assets, their asset-values, and to monitor for continued suitability. The titles of these RTH Forms are:

3. "How To Discern If The Account Values Reported To You On Your Investor Statements Appear To Be Correct or Incorrect;" and/with
4. "Client's Self-Checking Diagnostic Analysis of Account(s) Form."

**\*RT Hickman does not send Account Statements to Clients in lieu of those from any Custodian.**

In addition, all RT Hickman Clients are required to follow the quarterly-review procedures explained at Item-Section #15 "Custody of Client Funds or Securities."

SEC Form ADV  
Part 2

Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Item-14: Referral Fees**

(Item-Section #14)

### **Client Referrals and Other Compensation**

As specifically explained in Item Sections #10 - #12, the RTHRIA,LLC/RTHFC do not receive economic benefits for providing Investment Advice, such as participating in sales awards or prizes. The RTHFC do not have these arrangements.

RTHRIA,LLC/RTHFC do not directly or indirectly pay compensation for Client referrals.

SEC Form ADV  
Part 2

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SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Item-15: Custody**

(Item-Section #15)

**Custody of Client Funds or Securities**

In all RT Hickman business, Client assets (funds, securities, etc.) are held within financial firms (institutions) that qualify (under laws and regulations) to serve the **highly important** function of Custody. These entities are called "Custodian Firms" (under financial regulatory authorities, these entities are also called "Qualified Custodian Firms"). Usually, Investment Product Issuer Firms and/or Clearing Broker-Dealer (BD) or Futures Commission Merchant (FCM) firms evaluate, select, and appoint "Custodian Firms." In other words, BDs, FCMs and Issuers usually "configure" Custody design and functions. For example, a BD or FCM might configure its mass-holdings of Customer funds for protective safekeeping within a network of Banks. Through the Custodian-configuration, these firms directly send periodic Account Statements to RT Hickman clients. IN ALL CASES, RTH REQUIRES CLIENTS (more specifically, the Account Owners) TO RECEIVE DELIVERY OF THESE REPORTING ACCOUNT STATEMENTS. CLIENTS ARE REQUIRED BY RTH TO CAREFULLY AND TIMELY REVIEW ALL STATEMENTS RECEIVED. CLIENTS ARE TO FREQUENTLY/ROUTINELY (never longer than at-least-quarterly) REVIEW EVERY ACCOUNT STATEMENT FOR ACCURACY AND INTEGRITY OF: (1) Each Account's Registered Identification and Profile data; (2) Numeric and Account Values data; & (3) the Custodian's Privacy, Security, and Identity Theft Prevention Policies data. IF CLIENT FAILS TO RECEIVE (or properly receive) THESE ELEMENTS, and/or, IF CLIENT FINDS DISCREPANCIES, CLIENT IS TO EFFECTIVELY TIMELY INFORM RTH IN WRITING. For convenience and control-of-processing, Client is to follow the "Additional Important ADV Disclosures" in the Part 2B Supplement section (RTH's kit of Client Communication Forms). In addition, Clients that also receive Account-Report Statements prepared by RT Hickman, are to always timely compare Custodian-prepared elements (1) and (2) to RTH-prepared Reports. If any material discrepancies are identified, Client is to immediately effectively inform RT Hickman in writing (by using RTH's kit of Client Communication Forms).

**RTH DOES NOT ALLOW CLIENTS TO OPT-OUT OF RECEIVING ACCOUNT STATEMENTS. Respectfully, Clients are to understand that when they do not receive and timely review their Account Statements, they add significant RISK to their Accounts.**

**RT Hickman does not send Account Statements to Clients in lieu of those from any Custodian.**

**See also "Review Of Accounts" presented at Item Section #13 of this brochure.**



SEC Form ADV  
Part 2

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Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Item-16: Investment Discretion**

(Item-Section #16)

**Investment Discretion:**

RTHRIA, LLC can manage Investments on a Discretionary or Nondiscretionary basis, and, RTH is capable of providing many different kinds of Investment Account Management Services. Currently, the only Discretionary services provided by RTHRIA, LLC are to Clients that qualify for and have decided to invest in the RTHRIA-Active Positioning Speculative Investing System ("APSIS"). "APSIS" is a securities investment method that is enhanced through Futures and Options-On-Futures broad-based indices contracts techniques. APSIS" applies only to client/customers who qualify for speculative trading methods.

Currently, all other RTH Client/Customer accounts are Nondiscretionary.

**General standards to RTH Power -of-Attorney:**

RTH Discretionary Authority Power-of-Attorney (POA) documents, generally speaking, grant authority for RTH to manage investment assets in each client's account according to the quantity of funds that the Client/Account Owner decides to place into the account. RTH does not obtain, nor seek to obtain, Power to redeem or to add funds into these accounts. The Client/Account Owner decides additions and redemptions. All redemptions are routed only to the Client/Account Owner. RTH is granted the authority to automatically withdraw RTH fees, which does not commence until the client first reviews RTH's Fee Description & Schedule, via a signed acknowledgment. Client/Account Owners may redeem at any time that a Trading Position is not in progress. RTH does not employ or require "Lock-Up Periods." The client may revoke or terminate at any time. Client-signed documentation is required for all Client-instructed account changes. Also, in RTH POA documents, RTH does not "hold" client assets (assets are "held" within independent qualified Custodian Firms). All Trades and Transactions are processed through independent qualified Clearing Firms. Generally speaking, financial regulators require, and have issued documentary guidance, that before any financial firm utilizes a Custodian or Clearing firm, those firms must be placed through a vetting diagnostic process. What investors need to discern is that in various types of financial products, the responsibility for vetting Custodian and Clearing firms resides within third-party asset/portfolio managing firms (and/or other similar firms of necessary functional duties). In addition, in RTH's opinion, a Client's desired marketplace (category) of interest, in-and-of-itself must be vetted, with this vetting function occurring through a Client's Suitability Statement. Furthermore, every Investor and Client must understand that in the course of these kinds of vetting diagnostic procedures, various (sometimes many) areas of needed information is insufficient in transparency in order to reach a sufficient-enough conclusion.

When RTH is directly responsible for the selection of (also meaning the utilization of) Clearing or Custodian firms, RTH does formally apply a vetting diagnostic process. RTH does so in-effort to follow the documentary guidance issued by financial regulators. It is to be further distinguished that under US Laws, in conjunction-with and in integration-with financial regulations, the highly important duties of Clearing and Custodianship usually may only be done by qualified financial entities. The investor is to further understand that financial entity "qualification" may be different in each State of our United States, and, also occasionally different within the diverse categories of US financial regulators. RTH has observed that these differences can present a highly-concerning RISK to Investors. To guard Investors, and to attend to this type of RISK, RTH addresses these issues in each Customer Suitability Statement. Albeit, the Investor is to understand that the effectiveness of these careful procedures is limited due to constraints such as insufficient transparency.

The operational specifics of RTH POA documents are contained within each document. RTH POA document details follow design necessities relative to the specific kind and type of Investment Account being placed. Generally speaking, POA accounts usually do feature minimum size requirements, and, addition or redemption size requirements. Also, Clients usually must meet qualifications.

Refer also to Item-Section #15: "Custody of Client Funds or Securities."  
Item-Section # 4: "Tailoring Of Services To Needs Of Clients."

## **Item-17: Voting Client Securities (Proxy)**

SEC Form ADV  
Part 2

Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

(Item-Section #17)

### **Voting Client Securities**

RTH does not vote Client securities. Clients receive proxies or other solicitations directly from the Custodian or Transfer Agent. Accordingly, Clients direct their voting questions directly to the Proxy Materials Issuers and/or Solicitors.

SEC Form ADV  
Part 2

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Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Item-18: Financial Information**

(Item-Section #18)

**Financial Information: applicable Disclosure-Points:**

- Balance Sheet/audit is not required.
- RTH does not have Custody of Client Funds.
- RTH does not have any bankruptcy history.

**Financial Condition**

Financial Conditions that are reasonably likely to impair the ability of RTHRIA,LLC to meet contractual commitments of Clients:

- RTHRIA,LLC only provides Services to Clients, usually on a month-to-month basis. RTHRIA and the RTHFC do not provide Custodian, Trade Clearing, Margin, Collateralization or Lien Arrangements, or any other service that calls for a Reserve-Requirement. RTHRIA Agreements with respect to Fees are usually Monthly, without Lock-up conditions, without Front or Back (load) charges, with all Fees advance-disclosed. Monthly Fee Charges are usually whole-month assessments. Based on these limited offered services, Reserve-Requirement or Financial Condition types of disclosures do not apply.
- RTHSBF,LLC, as under formal agreement with FINRA, is only an "Applications-Way" Broker-Dealer (B/D). RTHSBF does not provide Custodian, Trade Clearing, Margin, Collateralization or Lien Arrangements, or any other service that calls for a Reserve-Requirement. FINRA has required RTHSBF to maintain a \$5,000 minimum Net Capital; however, in view of RTHSBF being only an "Apps-Way" B/D, this Net Capital requirement should not be interpreted as the kind of Reserve-Requirement of financial firms and institutions that actually Hold or have Collateralized Lien Arrangements with Client or Customer funds. RTHSBF,LLC is required to be a Member of the Securities Investor Protection Corporation, however, Clients are to distinguish SIPC's coverage being for replacement of missing Stocks or Other Securities. SIPC publishes its booklet "How SIPC Protects You" at [www.sipc.org](http://www.sipc.org). A copy of RTHSBF's "For Public Inspection" financial statement is enclosed.
- RTHRIA,LLC and RTHSBF,LLC maintain Fidelity Bond coverage.

## **Part-2A, Appendix-1: AAM#1 Wrap Fee Brochure**

**R. T. Hickman, Registered Investment Adviser, LLC**

Part 2A: Wrap Fee Disclosure Brochure

Initial Release Date: March 20, 2000

This Revision Release Date: March, 2012.

Identification Name of this Wrap Fee Program:

RTHRIA-AAM (#1)

Name, address, & telephone number of Sponsor:

**R. T. Hickman, Registered Investment Adviser, LLC**

(Principal Office, Headquarters)

39 East Central Avenue, Second Floor, Suite 2  
Pearl River, New York 10965

Telephone: 1-201-880-8432

Facsimile: 1-201-880-8433 (8:00AM-8:00PM, EST)

(Operations & Back Office)

449 Market Street, Second Floor  
Post Office Lockbox 543

Saddle Brook, New Jersey 07663

Telephone: 1-201-880-8432

Facsimile: 1-201-880-8433 (8:00AM-8:00PM, EST)

Name of Contact Person: Robert T. Hickman

**LEGEND**

**THIS WRAP FEE PROGRAM, IN CONJUNCTION WITH SEC FORM ADV PART 2, PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF R. T. HICKMAN, REGISTERED INVESTMENT ADVISER, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US BY SENDING A FACSIMILE TO US AT 1-201-845-6344. THIS INFORMATION HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES AUTHORITY, NOR BY ANY GOVERNMENTAL AUTHORITY.**

Please Note: "Registered" ("Registration") does not imply a certain level of skill or training.

(Please refer to page - 3 of this brochure in order to understand what the term "Wrap Fee" and "Sponsor" means).



Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

MATERIAL CHANGES (in this brochure, compared  
to last/previous brochure)

**Reference List of Material Changes, Revisions, or Restatements**

**FROM:** Previous Form ADV, Part-2A "Wrap Fee Brochure," dated 3/2010

**TO:** This Form ADV, Part-2A "Wrap Fee Brochure," dated 3/2012

**NEW DISCLOSURES ADDED:**

- NONE.

**PREVIOUS DISCLOSURES THAT HAVE BEEN MATERIALLY CHANGED:**

- Layout and overall design of all sections to SEC Form ADV Part 2A "Wrap Fee Brochure" have been changed pursuant to new Securities & Exchange Commission Final Rule, as at [www.sec.gov/rules/final/2010/ia-3060.pdf](http://www.sec.gov/rules/final/2010/ia-3060.pdf).

**PREVIOUS DISCLOSURES REMOVED:**

- NONE.

## TABLE OF CONTENTS

### Table Of Contents with Items Index

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**DEFINITIONS FOR INVESTOR UNDERSTANDING:**

WRAP FEE PROGRAM (as defined by the United States Securities & Exchange Commission) is: any program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other advisers) and execution of client transactions.

SPONSOR: means R. T. Hickman, Registered Investment Adviser, LLC (RTHRIA, LLC) acting as the designer and proposer in agreement arrangements with clients that are categorized within the aforementioned WRAP FEE PROGRAM definition.

SPONSOR'S DUTY: to disclose all material facts about its wrap fee programs.

The NAME of this RTHRIA, LLC wrap fee program is: RTHRIA-AAM (#1)

**"FEE COSTS INDIVIDUALLY TAILORED TO EACH CLIENT'S NEEDS"**

The R. T. Hickman, Registered Investment Adviser, LLC Wrap Fee  
Investment Account with Fee Cost Designed Based On a Mutually-Agreed  
Percentage Formula Of The Market Value of the Net Assets of Client's Account.

#### DISCLOSURE PREFACE

The standard elements of client investment service arrangements may be studied in the RTHRIA,LLC INVESTMENT ADVISORY SERVICES ENGAGEMENT AGREEMENT DOCUMENT which accompanies the SEC Form ADV, Part-2. This serves as our core document for development of each client relationship which includes mutually-agreed fee costs.

Each reader of this brochure is to also refer to RTHRIA,LLC's SEC Form ADV, Part-2 as an integrated part of this brochure's disclosures. (See also Disclosure Item 9, "ADDITIONAL INFORMATION").

## SERVICES

### TYPE (S):

- Management of investment Advisory Accounts without supervisory duties (such as when Third Party Managers are used – Mutual Funds for example);

### DESCRIPTION (General/typical example – as follows):

- A. Identifying advisory client's Investment Objectives/Investment Policy.
- B. Studies of advisory client's Investment Objectives/Investment Policy.
- C. Assisting client in establishment and maintenance of Investment Asset Allocations (including assisting advisory client in management of investment liquidity needs). Also, assisting client in understanding how to delegate and appoint Third Party Investment Asset Managers to the function of Active Discretionary Investment Asset Management in accord with advisory client's Investment Objectives/Investment Policy.
- D. Obtaining client's tolerance level of potential downvaluations in Investment Assets, and, coordinating same with client's Investment Policy.
- E. Assist client in understanding and evaluating A-D.
- F. Availing ongoing communication and service with advisory client in order to assist client in keeping Investment Assets performing in accord with client's current Investment Objectives/Investment Policy.
- G. RTHRIA, LLC will NOT supervise and/or direct investment of Client's Investment Assets without prior consultation with Advisory Client. Client will exercise discretion and/or delegate discretion as per 2C, make ultimate choices of whether to buy or sell and when, and, client will order execution of such decisions. Client may only assign such investment management discretion on an ongoing basis to RTHRIA, LLC via a Power of Attorney.
- H. RTHRIA, LLC will not create Investment Policy for Advisory Client. Client will create Investment Policy. R. T. Hickman will assist client in setting Investment Objectives/Investment Policy.

FEES AND COMPENSATION: AMOUNT OF WRAP FEE CHARGE

Percentage Element Accounts:

As of the release date of this brochure, the typical range of fee percentage formulae charged upon the Market Value of the Net Investment Assets of Client Accounts was from a low percentage of .50% for larger-sized (multi-millions cumulative) accounts to a high of 1.00% for smaller-sized (tens or hundreds of thousands of dollars) accounts. No standard tier or table of percentages relative to volume of assets is utilized. Fees are individually tailored by mutual agreement.

Additional Element (over and above percentage element) Accounts:

Pursuant to the RTHRIA,LLC INVESTMENT ADVISORY SERVICES ENGAGEMENT AGREEMENT DOCUMENT, some accounts (typically smaller-sized accounts) are additionally charged when a percentage fee design does not generate a sufficient amount of fee compensation for RTHRIA,LLC adviser services. If these fees are also calculated as a percentage of the Market Value of Net Investment Assets, the resulting percentage can be significantly higher than the aforementioned typical range of Percentage Element Accounts.

For Example: If a \$10,000 college savings account is introduced to our office, and if first year costs of services rendered in investment advisory services for this investment purpose amount to \$1,000, this would result in a 10% fee charge if or when formulated as a % of assets.

In all accounts, charges are mutually-agreed, in advance. All fees are negotiable.

All of the aforementioned fee charges are paid exclusively to RTHRIA,LLC for purchase or sale of specific securities, (implementations services) and/or ongoing portfolio management. Specific details of these services are described in the RTHRIA,LLC INVESTMENT ADVISORY SERVICES ENGAGEMENT AGREEMENT DOCUMENT.

**FEES AND COMPENSATION: COST COMPARISON TO IF AN INVESTOR SEPARATELY PURCHASED EACH INVESTMENT SERVICE RATHER THAN IN A WRAP FEE DESIGN**

RTHRIA,LLC's Wrap Fee Program is not a "bundle of services from an exclusive group of providers for one price program." RTHRIA,LLC arrangements with fee costs pertain only to the services provided by RTHRIA,LLC. These services are detailed in the RTHRIA,LLC INVESTMENT ADVISORY SERVICES ENGAGEMENT AGREEMENT document.

In a RTHRIA,LLC arrangement, third party advisers or transaction executioners are separately negotiated in order to assemble efficient, rational, and reasonable cost components to our clients. For example, third party financial institutions that provide individual securities trading are requested to offer their best/lowest price offer for RTHRIA,LLC clientele, without any markup compensated to RTHRIA,LLC. The same is done with third party advisers. If any of these separate providers offer only a standard or fixed fee, our clients ultimately decide whether or not each third party's cost proposals are acceptable. None of these providers are exclusive, and clients may change at any time.

In view of the price design elements described herein the RTHRIA,LLC Wrap Fee Program may cost a client more or less than purchasing such services separately (on their own).

FEES AND COMPENSATION: NO SEPARATE BUT ADDITIONAL COMPENSATION IS  
RECEIVED BY RTH,RIA,LLC IN THIS PROGRAM

When RTHRIA,LLC recommends the RTHRIA,LLC Wrap Fee Program, all costing elements are independent and autonomous of each other so that there are no separate but additional compensation elements received by RTH,RIA,LLC from any of the third party providers in a RTHRIA,LLC Wrap Fee Program.

The only fees earned by RTHRIA,LLC are the fee amounts mutually-agreed with each client.



FEES AND COMPENSATION: POTENTIAL ADDITIONAL FEES (or costs) BESIDES  
THE FEES DISCLOSED IN THIS PROGRAM

The RTHRIA,LLC Wrap Fee Program is purposely designed in order to avoid potential additional fees (or costs) besides the fees disclosed in this program. However, there is one exception. When clients request a securities product that is available to them through brokerage, (mutual funds, variable annuities, or variable life) a separate commission-load cost is then incurred. In these cases, RTHRIA,LLC will ask the client, in advance, if R. T. HICKMAN SECURITIES BROKERAGE FIRM, LLC (a separate but affiliated entity) may execute such placements and earn the commission. Clients are free to use any brokerage firm of their choice. When RTHSB,LLC earns brokerage commissions, none of these commissions are paid to RTH,RIA,LLC. Brokerage-distributed products are offered with standardized (fixed) commission costs. Accordingly, the brokerage cost to clients is the same whether such products (mutual funds, variable annuities, and/or variable life) are purchased from RTHSB,LLC or from any other brokerage firm. Clients decide if brokerage-distributed products shall be utilized, and when.

#### TYPES OF CLIENTS

- Corporations, Business Institutions ;
- Pension Plans, Profit Sharing Plans, etc. (including Union Plans);
- Trusts, Estates, Foundations/Charitable Organizations;
- Individuals (usually High Net Worth &/or Complex Cases).

#### ACCOUNT REQUIREMENTS

##### MINIMUM AMOUNT OF COMPENSATION RULE

RTHRIA,LLC endeavors to be of service to clients of any size. In every engagement, RTHRIA,LLC must ascertain that sufficient profit is yielded out of each engagement so that engagements are not performed at a loss. An averaged hourly rate is usually used as gauge for determining sufficient profitability.

Differing compensation sizes as applied to Clients do not cause improper Conflict of Interests effects because the RTHFC select Client engagements that integrate into RTHFC operations in ways which prevent the types of Conflicts Of Interests that typically (characteristically) would arise from differing Compensation sizes. For example, RTH employs a conditional requirement in Client/FAO engagements entitled the "Minimum Amount of Compensation Rule." This Rule enforces earnings-value-parity throughout all RTHFC engagements, in effort to diminish the conflict of "favoritism." "Favoritism" effects are controlled even in Performance-Based Fee Accounts. The RTHFC maintain constant vigilance that regardless of size or arrangement, FAO assets are of imperative importance to every FAO. Accordingly, every FAO is required to receive vigilant service-efforts. If RTHFC cannot provide vigilance, RTH will respectfully not accept or conclude engagement. However, Clients/FAOs are to distinguish that within financial Regulations, there are procedural areas of Order or Priority which the RTHFC must comply with. Since RTHFC procedures are financially-regulatory-based, RTHFC operations are controlled through the mandates of Regulations, but with techniques of professional ethics. This combination balances Regulatory procedural mandates in any applied way of fairness to control the potential Conflict of favoring one Client over another. The RTHFC do not improperly allocate investment opportunities among Clients/FAOs. Allocation procedures are designed based on relevant financial regulations. Also, refer to the accompanying Disclosure Document entitled: "RTHFC Ethical Policy and Procedure for Avoiding "Double Charges" to a Customer or Client when Financial Implementations are done."

PORTFOLIO MANAGER SELECTION AND EVALUATION

Third party managers are selected pursuant to each client's criteria and objectives for their investments. Accordingly, clients approve or reject each manager, and enact RTHRIA,LLC to add, change, or conclude each manager as their objectives change. Portfolio managers are implemented based on whether or not they are a match for each client's criteria and objectives.

All components of client investment assets are managed with each client by RTHRIA,LLC according to the RTH,RIA,LLC INVESTMENT ADVISORY SERVICES AGREEMENT DOCUMENT.

## SUITABILITY AND COMPARISONS TO STANDARDS

- Portfolios are reviewed quarterly in order to monitor performance, suitability, and accuracy. Larger-sized accounts may be reviewed monthly. Presently, all reviews are conducted by Robert T. Hickman. Professional credentials information for Robert T. Hickman is disclosed in SEC Form ADV Part-2B (Advisor Biographical Information).
- Suitability and client objectives information is utilized in application of third party managers upon account inception. Quarterly reviews at RTHRIA,LLC sustain assurance of suitability ongoing. However, of additional significant importance, RTHRIA,LLC serves in an on-call/ongoing manner to all clients in order to proactively service client needs as and when they change. When client objectives change which require communication to third party advisers or managers, RTHRIA,LLC immediately relays this information and follows-through in order to confirm execution of any adjustments or changes.
- Investment performance and behavior is reviewed in order to accommodate each client's objectives which we consider to be each account's primary standard or benchmark. In addition, for those Clients who have requested (or require) comparative diagnostics; ranking, style-group, industry and index data may then be compared in order to determine if performance is changing into a status that is lower than "above-average."
- Specific procedures are applied to stop Conflicts Of Interests that would otherwise potentially cause diminishment to Client Accounts. These procedures are thoroughly explained in Item-Section #10 of RTHRIA,LLC's Form ADV, Part 2.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

- Each Portfolio Manager supplies their own required "Account Forms," which usually require us to provide Client ID, Registration, and Owner-Profile types of information before each account is opened. Thereafter, informational updates or changes are provided to Portfolio Managers whenever we receive (or become knowledgeable of) such information.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

(RESTRICTIONS ON THE ABILITY OF CLIENTS TO CONTACT  
AND CONSULT WITH PORTFOLIO MANAGERS)

- There are no such restriction stipulations required by RTHRIA, LLC. Occasionally, third party advisers or managers may have restrictions. Our policy is to service our clients first, while respecting the client-accepted conditions of third party advisers and/or managers. However, in situations of great importance, it is common practice for us to conduct three-way teleconferences with Robert T. Hickman, client, and the third party adviser or manager.

## **ADDITIONAL INFORMATION**

### **Disclosure of DISCIPLINARY INFORMATION:**

- Refer to Item 9 of accompanying Form ADV Part 2.

### **Disclosure of OTHER FINANCIAL INDUSTRY ACTIVITIES and AFFILIATIONS:**

- Refer to Items 4 and 10 of accompanying Form ADV Part 2.

### **Disclosure of CODE OF ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS and PERSONAL TRADING:**

- Refer to Items 10, 11, & 12 of accompanying Form ADV Part 2.

### **Disclosure of REVIEW OF ACCOUNTS:**

- Refer to Item 13 of accompanying Form ADV Part 2.

### **Disclosure of CLIENT REFERRALS and OTHER COMPENSATION:**

- Refer to Item 14 of accompanying Form ADV Part 2.

### **Disclosure of FINANCIAL INFORMATION:**

- Refer to Item 18 of accompanying Form ADV Part 2.

DISCLOSURE REQUIREMENT-ELEMENTS for  
STATE-REGISTRIES for ADVISERS

- Accompanying Form ADV Part 2 (within each categoric section) includes elements of information distinguished as required for State adviser registries.



SEC Form ADV  
Part 2

Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

## **Part-2B Brochure Supplement for Advisor Biographical Information**

**Part 2b Brochure Supplement for Adviser Biographical Information**

**(Disclosure Item #1)**

**Supervisory Advising Person's Name, Business Address, and Telephone Number:**

- Robert T. Hickman

**(Principal Office, Headquarters)**  
**39 East Central Avenue, Second Floor, Suite 2**  
**Pearl River, New York 10965**

**Telephone: 1-201-880-8432**  
**Facsimile: 1-201-880-8433 (8:00AM-8:00PM, EST)**

**(Operations & Back Office)**  
**449 Market Street, Second Floor**  
**Post Office Lockbox 543**  
**Saddle Brook, New Jersey 07663**

**Telephone: 1-201-880-8432**  
**Facsimile: 1-201-880-8433 (8:00AM-8:00PM, EST)**

**Firm's Name, Business Address, and Telephone Number:**

- RT Hickman, Registered Investment Adviser, LLC (RTHRIA,LLC)

**(Principal Office, Headquarters)**  
**39 East Central Avenue, Second Floor, Suite 2**  
**Pearl River, New York 10965**

**Telephone: 1-201-880-8432**  
**Facsimile: 1-201-880-8433 (8:00AM-8:00PM, EST)**

**(Operations & Back Office)**  
**449 Market Street, Second Floor**  
**Post Office Lockbox 543**  
**Saddle Brook, New Jersey 07663**

**Telephone: 1-201-880-8432**  
**Facsimile: 1-201-880-8433 (8:00AM-8:00PM, EST)**

**\*LEGEND\***

**This Brochure Supplement provides information about Robert T. Hickman that supplements the RT Hickman, Registered Investment Adviser, LLC firm brochure. The firm brochure is to accompany this Brochure Supplement. You should be in-receipt of the firm brochure. Follow the above contact information to contact RTHRIA,LLC if you are not in-receipt of the firm brochure, or, if you have any questions about the contents of this supplement. Please send your requests or questions via facsimile to 1-201-880-8433. Additional information about Robert T. Hickman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Part 2b Brochure Supplement for Adviser Biographical Information

### (Disclosure Item #2)

**Supervisory Advising Person's Name:** Robert T. Hickman

**Age:** 56

### Business Background:

Robert T. Hickman, (RTH) currently employed on a full-time basis as Adviser (here meaning, with respect to Investments, Contracts, etc. ), and as Chief Executive Officer (Executive Member and Executive Principal) of the following group of financial companies:

RTH's employment history (each employing entity with same address as the Investment Advisory Firm):

➤ R. T. Hickman, Registered Investment Adviser, LLC, a Securities and Exchange Commission Registered Investment Adviser Firm; and, in separate business division, operations as a NFA Member, Registered Commodity Trading Advisor Firm (Commodity Futures Trading Commission) Firm.

- Position Titles: CEO, Managing Member, Reg IA Principal of IA Firm, & AP of CTA Firm.  
- Employment Period: 7/1/1999 to Present.

➤ R. T. Hickman Securities Brokerage Firm, LLC (a Financial Industry Regulatory Authority\* (FINRA) Member securities brokerage firm).

- Position Titles: CEO, Managing Member, Registered Principal & Supervisor of BD Firm;  
- Employment Period: 7/1/1999 to Present.

\* *FINRA was formerly the National Association of Securities Dealers (NASD).*

➤ R. T. Hickman, Licensed Insurance Producer, LLC (an Insurance Production/Broker firm).

- Position Titles: CEO, Managing Member, Insurance Broker, & Supervisor;  
- Employment Period: 7/1/1999 to Present.

➤ R. T. Hickman Financial & Estate Consultants, LLC (a Financial Consulting Services firm for Businesses, Individuals, Trusts & Estates, and Employee Benefit Plans).

- Position Titles: CEO, Managing Member, CPA, & CFP;  
- Employment Period: 7/1/1999 to Present.

➤ R. T. Hickman Financial Companies, LLC (a Office/Equipment Facilities Provisional Company serving the above list of Professional Financial Services/Practice Firms).

- Position Titles: CEO, Managing Member;  
- Employment Period: 7/1/1999 to Present.

The above group of financial companies, when mentioned or referred-to in RT Hickman disclosure documents, are stated as **the RTHFC** (the RT Hickman Financial Companies).

**Part 2b Brochure Supplement for Adviser Biographical Information**

**(Disclosure Item #2, continued)**

**ROBERT T. HICKMAN's EMPLOYMENT EXPERIENCE SUMMARY:**

A schedule of Mr. Hickman's Professional Credentials and Designations is provided in RTHRIA, LLC's Form ADV Part 2 (at Item Section-10). Mr. Hickman formerly owned a CPA Firm over the years 1982-1989, which was a concentrated practice in financial consulting and estate consulting engagements. The name of this firm was RT Hickman, Certified Public Accountant, which conducted business in the entity-form of a Proprietorship. This Firm was sold at the close of 1989. In 1990, Mr. Hickman started a new company (R. T. Hickman Financial & Estate Consultants) which over the years has grown into the R. T. Hickman Financial Companies, with each separately-regulated operational division formed into distinct Limited Liability Company (LLC) entities on 7/1/1999 (as above). Mr. Hickman has been the CEO of these companies continuously. He received his Bachelors Degree in Accounting from The William Paterson University of N.J., and, accomplished schooling for Certified Financial Planning through Fairleigh Dickinson University and the Denver College of Financial Planning. Each Financial License and Professional Designation requires Mr. Hickman to earn a minimum number of Continuing Professional Education Credits. Accordingly, over the years Mr. Hickman has been a continuous student in diverse but focused financial studies.

**Part 2b Brochure Supplement for Adviser Biographical Information**

**(Disclosure Item #3)**

**Disciplinary Information:**

<b>Robert T. Hickman</b>					
<b>Material Litigation History</b>					
(Pending or Concluded, within 5 Years preceding the Cover Submission Date of this Disclosure Document)					
Reporting Qualifier Threshold: Penalties (per Incident) exceeding \$50,000, and, no alleged Fraud or Willful Misconduct.					
P = Pending C = Concluded	Start Date of filed Litigation-Action, and Place	Party that brought the Action	Recital of the Allegation and Nature of the Action, parties involved, and Findings	\$ Size of Settlement	\$ Size of Fine
- None. No material administrative, civil, or criminal actions (pending or concluded) existing for disclosure.					
- No disciplinary histories.					

**Robert T. Hickman's FINANCIAL INDUSTRY DISCIPLINARY HISTORY:**

None. / No reportable issues.

**Legal or Disciplinary Events**

- Robert T. Hickman's register chronologies of Legal or Disciplinary events within the following national financial-registry web-sites:

For activities within the financial firm of RT Hickman, Registered Investment Adviser, LLC:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (for Securities Industry matters)

and

[www.futures.org/basic](http://www.futures.org/basic) (for Futures/Contracts Industry matters).

For activities within the financial firm of RT Hickman Securities Brokerage Firm, LLC:

[www.finra.org/brokercheck](http://www.finra.org/brokercheck) (for Broker-Dealer Securities Industry matters).

To assist a reviewer with the above web-site references, "Hotline-Brochures" of the above are enclosed with the Part-2 document which accompanies this brochure.

Please Note: The RTHFC believe that anyone who shall place their assets into any financial marketplace areas, should first become familiar with referencing the above-type "background-checking" types of web-sites. Failure to do so means proceeding with higher Risk.

**Part 2b Brochure Supplement for Adviser Biographical Information**

**(Disclosure Item #4)**

**Other Business Activities:**

- With understanding of Robert T. Hickman's role and positions (as outlined above in Disclosure Item #2), Robert T. Hickman's Other Business Activities, Material Conflicts of Interests, and RTH control procedures for addressing Conflicts Of Interests in ways which remove the diminishing effects Conflicts could have upon Clients, is thoroughly explained in the accompanying Form ADV, Part-2, at Item-Section #10.

- With respect to receipt of compensation based on the sale of products, with these compensation methods potentially being an incentive to recommend products based on compensation received rather than on Client's needs, RTH "Suitability-Assurance-Procedures (including those specifically explained in Part-2, Item-Section #10, including at "Control of Conflicts Of Interests that are directly-relative to Investment Operations"), materially diminish and effectively remove what could be improper Conflict effects. In balance with the integral methods for controlling the potential effects of improper Conflicts, based on RTH/RTHFC experience, RTH also applies scrutiny to situations where Clients or FAOs may attempt to negotiate compensation-reductions (or Claims) wherein the attempter is actually trying to devise a way to "skirt" application of required regulatory procedures. Since RTH and the RTHFC are entities under regulatory compliance, RTH nor the RTHFC shall yield to such attempts. Clients/FAOs are hereby cautioned to respect compliance with financial regulations.

## Part 2b Brochure Supplement for Adviser Biographical Information

### (Disclosure Item #5)

#### Additional Compensation:

- As explained in the accompanying Form ADV, Part-2, at Item-Section2 #10, 11, & 12, RTH does not participate in receiving economic benefits from any arrangements from others who are not Clients.

RTH does not receive, nor seek to receive research or any other products or services from third parties.

RTH does not accept, nor seek to arrange higher (than market norms) Commissions (or Markups or Markdowns) in return for benefits (a/k/a "soft dollar benefits").

The RTHFC (including RTH) do not engage-in or undertake "Soft Dollar" relationships or agreements. Distinction: since relevant Continuing Professional Education (CPE) is in the best interest of Clients/FAOs, the RTHFC will accept free CPE which may include a sustenance at seminar" meal; with Clients/FAOs here being in understanding that these provisions from third-party-providers not being "vacation getaways," etc. – i.e. – not representing "Soft Dollar Arrangements" and not being a conflict of interests.

RTH does not receive referrals from any third party broker-dealers or third party firms. RTH does not enter into these incentive arrangements.

RTH does not receive, nor seek to receive prizes or awards.

RTH does not pay others for Clients referred to RTH.

De Minimis exception: Generally speaking, financial regulations permit gifts (such as during holidays) of up to \$50 per year. RTH shall accept a De Minimis gift since the values are small enough to not effect any Conflicts of Interests. Also, if RTH is invited to an educational seminar (not meaning a vacation getaway), RTH may attend. Education is a necessary part of service to Clients (not a Conflict of Interests).

## Part 2b Brochure Supplement for Adviser Biographical Information

### · (Disclosure Item #6)

#### Structure of Supervision:

- Robert T. Hickman is the sole acting/advising Principal Person of operations.

#### Supervision of Robert T. Hickman and the RTHFC Professional Financial Practices:

Robert T. Hickman is sole Firm Principal and Compliance Officer. Robert T. Hickman and the RTHFC are cyclically and/or periodically directly subjected to on-site Examinations by financial regulators (FINRA, SEC, NFA, & CFTC, etc.) and, by independent audit/reviewer firms wherein financial regulations so require. Robert T. Hickman and the RTHFC maintain records of regulatory examination findings, examination outcomes, deficiencies or violations noted, and deficiencies or violations resolved.

Robert T. Hickman and the RTHFC have been registered and directly subjected to financial regulations and on-site examinations since inception. To put this into better perspective: the RTHFC and Robert T. Hickman have provided thousands of pages of compliance and operational documents, procedures, etc. to financial regulators and numerous independent audit and review firms in the quest of having integral procedures and business undertakings.



**Part-2B Brochure Supplement Section  
of  
Agreement(s) and  
Account Forms  
reference EXAMPLES**

Name of Investment Adviser (the IA): R.T. Hickman, Registered Investment Adviser, LLC  
SEC File Number: 801-55905 CRD Number: 107973  
Reporting Date of this Item Disclosure Page: 3/2012 (within Brochure dated 3/2012).

**ADDITIONAL DISCLOSURE DOCUMENTS RELATIVE TO FORM ADV:**

**RTH Agreement(s) and Account Forms Reference EXAMPLES:**

The following supplemental Disclosure Documents are provided to Customer/Client as relative to the kinds of services that Client engages or enacts RT Hickman to do. Most, and sometimes all of these Disclosures are provided to Client. All of these Disclosure Documents are filed to State Securities/Investment Adviser Departments. Some of these Disclosure Documents may be considered "Practitioner Proprietary."

- RTHRIA, LLC's Cover Letter (instruction letter to Client RE: Form ADV);
- [www.sec.gov](http://www.sec.gov)'s "Form ADV" instruction page and "Protect Your Money: Check Out Brokers and Advisers" information page (with picture of where to enter into FINRA's "Investor Information" web site section. Note: NASD is now FINRA);
- RTHRIA, LLC's National Futures Association (NFA) "BASIC" web-search Details Page;
- NFA's Background Affiliation Status Information Center (BASIC) Information Booklet Resource pages;
- Securities Investor Protection Corporation's brochure: "How SIPC Protects You;"
- RTHRIA, LLC's Form ADV, Schedule-H: Wrap Fee Program Description for the "RTHRIA-AAM#1" Investment Advisory Services arrangement (for Clients that want to engage RTHRIA for services on a "Wrap Fee" basis). "APSYS" has its own Fee Schedule with Customer Suitability Statement design;
- RTHRIA, LLC's Investment Advisory Services Engagement Agreement (for Nondiscretionary, Client-Directed arrangements);
- RT Hickman Financial Companies, LLC (RTHFC) "Financial & Estate Consulting Services and Financial Vehicle/Product Implementation Services Engagement Agreement" disclosure document;
- RT Hickman Financial Companies Instructional document: "How Clients Receive Services and Work With the Group of RT Hickman Financial Companies;"
- List of Client's disclosed (reported) "Trusted Persons" and "Financial Internet Accounts" (meaning, other than with RT Hickman);
- RTHRIA, LLC's account establishment document: "Customer (Client) Account RECORD Form & Customer Agreement of Customer Account Information;"
- RT Hickman Securities Brokerage Firm, LLC (RTHSBF, LLC) account establishment document: "Customer (Client) Account RECORD Form & Customer Agreement of Customer Account Information;"
- RTHFC privacy policy disclosure document entitled: "Notice of Privacy Policy Kit;"

CONTINUED ON NEXT PAGE

**RTH Agreement(s) and Account Forms Reference EXAMPLES  
(continued):**

- RTHFC's informational document: Customer's Advance Study (advance disclosure) of the Three-Party (triangular) Method that RT Hickman applies to Customer's Account for the Formation and Maintenance of a SUITABLE Account for Customer/Client;

-RTHRIA,LLC's "Prospectus Receipt Form" (Client's acknowledgement of elements within each Prospectus selected by Client);

- RTHSBF,LLC's "Prospectus Receipt Form," including FINRA's "Breakpoint Checklist," and "Breakpoint Worksheet;"

RTHFC/RTHRIA/RTHSBF,LLCs "Customer Suitability Statement" (Customer's set of documents to establishment of Account Suitability);

- RTHRIA/RTHFC's instruction letter to Client: "Check-Up Of Your Identification Data, Client RECORD Data, Suitability, & Operation Of Your Account(s);"

- Our USA's Patriot Act "Notification and Customer Identification Verification" form;

-How To Discern If The Account Values Reported To You On Your Investor Statements Appear To Be Correct or Incorrect;

- RTHSBF,LLC's Audited Statement of Financial Condition, with Independent Auditor's Report;

- RTHRIA,LLC's "APSIS" Client-prescribed "Customer Suitability Statement," and, "APSIS" Investment Management Agreement (applicable to qualified investors only).

-Client "Order" or "Instruction Letter" forms for establishing settings or ordering changes to Account.

**END OF LIST**