

DuckworthMehner Private Wealth Advisors, Inc.

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This Brochure provides information about the qualifications and business practices of DuckworthMehner Private Wealth Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (714) 433-2100 or kduckworth@duckworthmehner.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about DuckworthMehner Private Wealth Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to DuckworthMehner Private Wealth Advisors, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to DuckworthMehner Private Wealth Advisors Inc.'s disclosure statement since last year's Annual Amendment filing on March 29, 2011.

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Item 4 Advisory Business

- A. DuckworthMehner Private Wealth Advisors, Inc. (“DuckworthMehner”) is a corporation formed on September 18, 1998 (originally formed as D&M Capital Management, Inc.) in the State of California. DuckworthMehner became registered as an Investment Adviser Firm on April 22, 1999 (originally registered as D&M Capital Management, Inc.) DuckworthMehner’s name was changed to DuckworthMehner Private Wealth Advisors, Inc. on January 1, 2010. DuckworthMehner is owned by Michael C. Duckworth and Glenn R. Mehner. Michael C. Duckworth and Glenn R. Mehner are DuckworthMehner’s President and Vice-President, respectively.
- B. As discussed below, DuckworthMehner offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage DuckworthMehner to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. DuckworthMehner’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under DuckworthMehner’s management on a stepped-up basis as follows:

<u>Total Assets Managed</u>	<u>Annual %</u>
First \$6,000,000	0.85%
Next \$4,000,000	0.75%
Next \$15,000,000	0.65%
Amounts over \$25 million	negotiable

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, DuckworthMehner *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. DuckworthMehner’s planning and consulting fees are negotiable, but generally range from \$80 to \$450 on an hourly rate basis, with a minimum annual fee of \$1,000, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging DuckworthMehner to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with DuckworthMehner setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to DuckworthMehner commencing services. If requested by the client, DuckworthMehner may recommend the services of other professionals for implementation purposes, including the accounting services of the accounting firm, Duckworth & Mehner, LLP (*See* disclosure at Item 10 C.6). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from DuckworthMehner. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also**

Note: It remains the client's responsibility to promptly notify DuckworthMehner if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising DuckworthMehner's previous recommendations and/or services.

TAX CONSULTING & PREPARATION SERVICES

To the extent requested by the client, DuckworthMehner *may* determine to provide tax consulting and preparation services on a stand-alone separate fee basis. DuckworthMehner's typical tax consulting and preparation fee is \$80-\$315 per hour.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, DuckworthMehner *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither DuckworthMehner, nor any of its representatives, serves as an attorney or licensed insurance agent and no portion of DuckworthMehner's services should be construed as same. To the extent requested by a client, DuckworthMehner may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, etc.), including the accounting services of the accounting firm, Duckworth & Mehner, LLP (*See* below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from DuckworthMehner. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify DuckworthMehner if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising DuckworthMehner's previous recommendations and/or services.

Sub-Advisory Arrangements. DuckworthMehner may engage sub-advisors for the purpose of assisting DuckworthMehner with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by DuckworthMehner. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by DuckworthMehner. DuckworthMehner shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services. **DuckworthMehner's Chief Compliance Officer, Kara Duckworth, remains available to address any questions concerning DuckworthMehner's sub-advisory arrangements.**

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage DuckworthMehner on a non-discretionary investment advisory basis **must be willing to accept** that DuckworthMehner cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, DuckworthMehner will be unable to effect any account transactions (as it would for its discretionary clients) **without first obtaining the client's verbal consent.**

Tenant Relationship with Bernzott Capital Advisors. DuckworthMehner has sub-let a portion of its office to Bernzott Capital Advisors ("Bernzott"), an SEC registered

investment adviser firm. Bernzott is a separate and distinct business and is in no way affiliated with DuckworthMehner. Neither DuckworthMehner nor Bernzott share common members, officers, directors, or owners. Furthermore, though DuckworthMehner may choose to engage and compensate solicitors in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940 (*See* disclosure at Item 14.B), no such relationship exists between DuckworthMehner and Bernzott.

Client Obligations. In performing its services, DuckworthMehner shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify DuckworthMehner if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising DuckworthMehner's previous recommendations and/or services.

Disclosure Statement. A copy of DuckworthMehner's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. DuckworthMehner shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, DuckworthMehner shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on DuckworthMehner's services.
- D. DuckworthMehner does not participate in a wrap fee program.
- E. As of December 31, 2011, DuckworthMehner had \$85,896,335 in assets under management on a discretionary basis and \$18,617,268 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage DuckworthMehner to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage DuckworthMehner to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, DuckworthMehner's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under DuckworthMehner's management on a stepped-up basis as follows:

<u>Total Assets Managed</u>	<u>Annual %</u>
First \$6,000,000	0.85%
Next \$4,000,000	0.75%
Next \$15,000,000	0.65%
Amounts over \$25 million	negotiable

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, DuckworthMehner *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. DuckworthMehner's planning and consulting fees are negotiable, but generally range from \$80 to \$450 on an hourly rate basis, with a minimum annual fee of \$1,000, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

TAX CONSULTING & PREPARATION SERVICES

To the extent requested by the client, DuckworthMehner *may* determine to provide tax consulting and preparation services on a stand-alone separate fee basis. DuckworthMehner's typical tax consulting and preparation fee is \$80-\$315 per hour.

- B. Clients may elect to have DuckworthMehner's advisory fees deducted from their custodial account. Both DuckworthMehner's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of DuckworthMehner's investment advisory fee and to directly remit that management fee to DuckworthMehner in compliance with regulatory procedures. In the limited event that DuckworthMehner bills the client directly, payment is due upon receipt of DuckworthMehner's invoice. DuckworthMehner shall deduct fees and/or bill clients quarterly in advance or arrears depending on the investment program, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, DuckworthMehner shall generally recommend that Charles Schwab & Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to DuckworthMehner's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).
- D. DuckworthMehner's annual investment advisory fee shall be prorated and paid quarterly, in advance or arrears depending on the investment program, based upon the market value of the assets on the last business day of the previous quarter. DuckworthMehner generally requires an annual minimum fee of \$17,000 for investment advisory services. DuckworthMehner, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between DuckworthMehner and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, DuckworthMehner shall either refund the pro-rated portion of the advanced advisory fee paid or debit the account for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days remaining in the billing quarter.

- E. Neither DuckworthMehner, nor its representatives, accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither DuckworthMehner, nor any supervised person of DuckworthMehner, accepts performance-based fees.

Item 7 Types of Clients

DuckworthMehner's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. DuckworthMehner generally requires an annual minimum fee of \$17,000 for investment advisory services. DuckworthMehner, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. DuckworthMehner may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

DuckworthMehner may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by DuckworthMehner) will be profitable or equal any specific performance level(s).

- B. DuckworthMehner's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, DuckworthMehner must have access to current/new market information. DuckworthMehner has no control over the dissemination rate of market information; therefore, unbeknownst to DuckworthMehner, certain analyses may be compiled with outdated market information, severely limiting the value of DuckworthMehner's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

DuckworthMehner's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, DuckworthMehner may also implement and/or recommend – use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (*See discussion below*).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by DuckworthMehner in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to DuckworthMehner may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential ***conflict of interest*** whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to DuckworthMehner. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by DuckworthMehner shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by DuckworthMehner is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced

volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct DuckworthMehner, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, DuckworthMehner primarily allocates client investment assets among various mutual funds, individual bonds and/or exchange traded funds (“ETFs”) on a discretionary and non-discretionary basis in accordance with the client’s designated investment objective(s).

Item 9 Disciplinary Information

DuckworthMehner has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither DuckworthMehner, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither DuckworthMehner, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C.

- 6. **Accounting Firm.** DuckworthMehner’s Principals, Michael Duckworth and Glenn Mehner, are also certified public accountants and partners of the accounting firm Duckworth & Mehner, LLP. In certain limited circumstances, DuckworthMehner may recommend the services of Duckworth & Mehner, LLP. Any such accounting advice shall be rendered independent of DuckworthMehner pursuant to a separate agreement between the client and Duckworth & Mehner, LLP. DuckworthMehner shall not receive any of the fees charged by Duckworth & Mehner, LLP, however, Mssrs. Duckworth and Mehner may receive compensation from Duckworth & Mehner, LLP attributable to their ownership interest in the firm.

Conflict of Interest: The recommendation by DuckworthMehner’s representatives that a client engage the services of Duckworth & Mehner, LLP, presents a *conflict of interest*. No client is under any obligation to engage the services of the accounting firm, Duckworth & Mehner, LLP. **DuckworthMehner’s Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- D. DuckworthMehner does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. DuckworthMehner maintains an investment policy relative to personal securities transactions. This investment policy is part of DuckworthMehner's overall Code of Ethics, which serves to establish a standard of business conduct for all of DuckworthMehner's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, DuckworthMehner also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by DuckworthMehner or any person associated with DuckworthMehner.

- B. Neither DuckworthMehner nor any related person of DuckworthMehner recommends, buys, or sells for client accounts, securities in which DuckworthMehner or any related person of DuckworthMehner has a material financial interest.
- C. DuckworthMehner and/or representatives of DuckworthMehner *may* buy or sell securities that are also recommended to clients. This practice may create a situation where DuckworthMehner and/or representatives of DuckworthMehner are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if DuckworthMehner did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of DuckworthMehner's clients) and other potentially abusive practices.

DuckworthMehner has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of DuckworthMehner's "Access Persons". DuckworthMehner's securities transaction policy requires that an Access Person of DuckworthMehner must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date DuckworthMehner selects; provided, however that at any time that DuckworthMehner has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. DuckworthMehner and/or representatives of DuckworthMehner *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where DuckworthMehner and/or representatives of DuckworthMehner are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, DuckworthMehner has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of DuckworthMehner's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that DuckworthMehner recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct DuckworthMehner to use a specific broker-dealer/custodian), DuckworthMehner generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging DuckworthMehner to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with DuckworthMehner setting forth the terms and conditions under which DuckworthMehner shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that DuckworthMehner considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with DuckworthMehner, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by DuckworthMehner's clients shall comply with DuckworthMehner's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where DuckworthMehner determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although DuckworthMehner will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, DuckworthMehner's investment management fee. DuckworthMehner's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, DuckworthMehner may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist DuckworthMehner to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by DuckworthMehner may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by DuckworthMehner in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist DuckworthMehner in managing and administering client

accounts. Others do not directly provide such assistance, but rather assist DuckworthMehner to manage and further develop its business enterprise.

DuckworthMehner's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by DuckworthMehner to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

DuckworthMehner's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. DuckworthMehner does not receive referrals from broker-dealers.
3. DuckworthMehner does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and DuckworthMehner will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by DuckworthMehner. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs DuckworthMehner to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through DuckworthMehner.

DuckworthMehner's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that DuckworthMehner provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless DuckworthMehner decides to purchase or sell the same securities for several clients at approximately the same time. DuckworthMehner may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among DuckworthMehner's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. DuckworthMehner shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 **Review of Accounts**

- A. For those clients to whom DuckworthMehner provides investment supervisory services, account reviews are conducted on an ongoing basis by DuckworthMehner's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise DuckworthMehner of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with DuckworthMehner on an annual basis.
- B. DuckworthMehner *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. DuckworthMehner may also provide a written periodic report summarizing account activity and performance.

Item 14 **Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, DuckworthMehner may receive an indirect economic benefit from *Schwab*. DuckworthMehner, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

DuckworthMehner's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by DuckworthMehner to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

DuckworthMehner's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to DuckworthMehner by either an unaffiliated or an affiliated solicitor, DuckworthMehner *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from DuckworthMehner's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to DuckworthMehner by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of DuckworthMehner's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between DuckworthMehner and the solicitor, including the compensation to be received by the solicitor from DuckworthMehner.

Item 15 Custody

DuckworthMehner shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. DuckworthMehner may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that DuckworthMehner provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by DuckworthMehner with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of DuckworthMehner's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage DuckworthMehner to provide investment advisory services on a discretionary basis. Prior to DuckworthMehner assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming DuckworthMehner as the client's attorney and agent in fact, granting DuckworthMehner full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage DuckworthMehner on a discretionary basis may, at anytime, impose restrictions, **in writing**, on DuckworthMehner's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe DuckworthMehner's use of margin, etc.).

Item 17 Voting Client Securities

- A. DuckworthMehner does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact DuckworthMehner to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. DuckworthMehner does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. DuckworthMehner is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. DuckworthMehner has not been the subject of a bankruptcy petition.

ANY QUESTIONS: DuckworthMehner's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.