

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

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03/25/2011

This brochure provides information about the qualifications and business practices of Financial Insights, Inc. If you have any questions about the contents of this brochure, please contact us at 253-627-6010 or [mmullenax@financialinsights.net](mailto:mmullenax@financialinsights.net). 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 Financial Insights, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 108797.

## **Item 2 MATERIAL CHANGES**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/25/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

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

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## Item 4     ADVISORY BUSINESS

Financial Insights, Inc. ("Financial Insights" or "we") is an SEC-registered investment adviser with its principal place of business located in Tacoma, Washington. Financial Insights, Inc. began conducting business as a registered investment adviser in 1984. Dorothy A. Lewis is Financial Insights' founder and sole owner.

Financial Insights is proud to provide services that support all stages of our clients' lives. Often, our clients first engage us for Financial Planning Services and/or Portfolio Management Services. Later in life, as their needs become more complex, our Elder Concierge and Estate Management Services are also offered to our clients when extra assistance is necessary.

### **Amount of Managed Assets**

As of 3/14/2011, we were actively managing \$ 107,322,689 of clients' assets on a discretionary basis and \$ 1,128,407 of client assets on a non-discretionary basis for a total of \$ 108,451,096.

Financial Insights offers the following advisory services to our clients:

### **Financial Planning Services**

We offer advice in the form of comprehensive Financial Planning. Clients engaging us to provide this service will receive a written report, presenting the client with a detailed financial plan designed to assist him/her to achieve his/her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern:

- ***Personal:*** Review of financial goals, family records, budgeting, personal liability and estate information.
- ***Education:*** Review of education IRAs, financial aid, state savings and 529 plans, grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan.
- ***Tax & Cash Flow:*** Review of income tax and spending analysis to include planning for past, current and future years. Financial Insights will illustrate the impact of various investments on a client's current income tax and future tax liability as we work closely with the client's tax advisor.
- ***Death & Disability:*** Review of cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- ***Retirement:*** Analysis of current strategies and investment plans to help the client determine whether they are likely to achieve his or her retirement goals.
- ***Investments:*** Analysis of investment holdings and their effect on a client's portfolio.
- ***Insurance:*** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and auto.
- ***Estate:*** Assistance in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review of estate tax, powers of attorney, asset protection plans,

nursing homes, assisted living environments, Medicaid and elder law, while working closely with their estate planning attorney.

We gather necessary information through in-depth personal interviews. Information gathered includes a client's current financial status, tax status, future goals, return objectives and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, followed by preparation of a written report. Should a client choose to implement the recommendations contained in the plan, Financial Insights suggests the client work closely with his/her attorney, accountant and insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion.

Financial Planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and our clients are not bound to follow our suggestions.

### **Portfolio Management Services**

We provide Portfolio Management Services to clients based on the individual needs of each client. Through personal discussions in which the client's goals and objectives based are established based on his/her particular circumstances, Financial Insights develops a personal investment policy statement to guide the development and management of the client's portfolio. Financial Insights will manage Portfolio Management Services accounts, directly or through a sub adviser (see details below), on a discretionary or non-discretionary basis based on the client's preference. Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, growth and income or income).

Financial Insights has conducted due diligence on certain independent registered investment advisers and has entered into written sub-advisory agreements with Yellowstone Partners, LLC (hereinafter "Yellowstone") and GSG Capital Advisors, LLC ("hereinafter "GSG"), each an unaffiliated SEC registered investment adviser, to provide Portfolio Management Services to all or a portion of Financial Insights' client portfolios, as appropriate. Financial Insights may also enter into additional written sub-advisory agreements with other third party registered investment advisers, from time to time, as it deems appropriate and in the best interests of our client's. As applicable, we will monitor the selected sub adviser(s) and may, from time to time and in its sole discretion, hire and/or replace any sub adviser as part of our engagement to manage the client's portfolio(s) consistent with the client's objectives. Financial Insights will ensure that, as appropriate, the client receives a copy of the disclosure document (Form ADV, Part 2, or other disclosure document in lieu of Part 2) of any sub adviser selected to manage all or a portion of a client's account assets.

Depending on the investment objectives of the client and the terms of the engagement, Financial Insights will create a portfolio, either directly or in partnership with Yellowstone, GSG or another selected independent registered sub adviser(s). The types of securities used to create the client's portfolio will generally consist of one or more of the following: individual equities, bonds, CD's no-load or load-waived mutual funds or exchange-traded funds (ETFs) and other investment products. Financial Insights will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Mutual funds and ETFs are selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf.

There is a desired \$500,000 minimum account size required for this service. This minimum may be negotiable under certain circumstances.

### **Intergenerational Planning, Elder Concierge and Estate Management Services**

Depending on client needs, through our Consulting Services, we offer Intergenerational Planning, Elder Concierge and Estate Management Services. We work with clients to discover and create plans that may include:

- Development of a Family Legacy Plan Memorializing the Goals and Values of the Family
- Integration of Income Tax & Investment Strategies
- Philanthropic Planning and/or Charitable Giving
- Facilitation of Intergenerational and Interfamily Communications
- Working with Third-Party Professionals to Coordinate the Implementation of Solutions

**Elder Concierge Services** is a subset of our Consulting Services and is designed specifically for adult children and others responsible for a senior in need of assistance. Elder Concierge Services generally include the following services, as necessary:

- Provide Complete Assessment to Identify Needs and Solutions
- Organize Important Legal & Financial Documents
- Prepare Monthly Income & Expense Reports
- Assist with Bill Paying and Monitor Accounts Monthly
- Provide Support & Guidance for Spouse or Adult Children when Coping with Complex Eldercare Issues
- Assist with Tax Record Gathering, Organization and Tax Return Preparation
- Review of Existing Estate Plan (Will and/or Living Trust)
- Healthcare and Financial/Durable Power of Attorney Review
- Beneficiary Designation Review
- Interface with Family, CPA and Estate Planning Attorney
- Charitable Gifting Review and Implementation
- Research of Unclaimed Assets
- Safety Deposit Box Cataloguing
- Sorting and Handling of Incoming and Outgoing Mail
- Mediate Family Conflict to Find Best Solutions

**Estate Management Services** is an additional subset of our Consulting Services and is designed to assist families after the loss of a loved one to help ease the burden of managing all aspects of estate organization. We offer the following services to family members who are nearby or out of the area:

- Complete Decedent Estate Organization and Administration
- Interface with Family, CPA and Estate Planning Attorney
- Stepped Up Cost Basis Analysis on Investments
- Retirement Plans, Annuities and Life Insurance Beneficiary Research and Itemization
- Assist with Tax Record Gathering, Organization and Final Tax Return Preparation
- Home Appraisal Consultation

- Complete Inventory of Household Contents
- Assist with Estate Sale: Sort, Pack, Donate and Dispose. Antiques or Collectibles will be appraised or professionally estimated for current value
- Professional Appraisal of Jewelry and Other Valuables
- Estate Distribution
- Consulting & Family Conflict Resolution

## **Item 5 FEES AND COMPENSATION**

### **Financial Planning, Intergenerational Planning, Elder Concierge Estate Management Services and Portfolio Management Services**

Financial Planning, Intergenerational Planning, Elder Concierge and Estate Management Professional Service fees will be charged in one of three ways:

1. **Financial Planning:** As a fixed fee (per project basis), typically ranging from \$1,000 - \$5,000, depending on the nature and complexity of each client's circumstances and the nature and duration of the work requested.
2. **Financial Planning:** Based on an hourly fee of \$200. This hourly rate may be negotiable depending on the nature and complexity of each client's circumstances and financial planning projects. If appropriate, an estimate for total hours may be determined at the start of the advisory relationship.
3. **Elder Concierge:** Based on an hourly fee of \$125. If appropriate, an estimate for total hours may be determined at the start of the advisory relationship.

Financial Planning, Intergenerational Planning, Elder Concierge and Estate Management Administrative and Clerical Service fees will be charged in one of three ways:

1. Administrative and Research Analysis fees (Living Trust/Estate/Divorce) are billed at an hourly rate of \$125.
2. Fees for tax cost basis, gain/loss calculations and general administrative services are billed at \$50 per hour, with a one hour minimum charge.
3. Re-registration of accounts upon death or divorce will be charged at a rate of \$50 per hour.

**Account Review and Monitoring** is a service that we provide our clients to review the quality and appropriateness of the investments and monitor the asset allocation of retirement accounts, including 401(k), 401(a), 403(b), 457(a), 457(f), Deferred Compensation and 529 College Savings Accounts. This service is important to ensure that Financial Insights is able to perform a holistic analysis of our client's circumstances.

Account Review and Monitoring Services are generally billed based on the assets under consultation at the rate listed in the Investment Advisory Agreement, which is currently 0.50% annually, with a minimum annual fee of \$75. This fee is charged quarterly in advance or annually.

All fees and fee billing arrangements will be agreed upon by the client at the start of the advisory relationship.

Financial Insights will never hold advanced paid fees greater than \$1,200 for more than six months before such advanced payment has been earned.

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

### **Portfolio Management Services**

An annual investment advisory fee for portfolios consisting of mutual funds, Certificates of Deposit, ETF's, bonds and other investment vehicles is charged on accounts as set forth in Financial Insight's Investment Advisory Agreement. The fee schedule is as follows:

<b>Assets Under Management</b>	<b>Nominal Quarterly Fee*</b>	<b>Annual Advisory Fee</b>
Up to \$1 Million	0.2500%	1.00%
Between \$1 Million and \$5 Million	0.1875%	0.75%
Over \$5 Million	0.1250%	0.50%

In most cases, this is the applicable fee schedule. Fees may vary based upon the complexity of a client's situation and the level of service given to each client. Some accounts may be charged administrative fees only. A lower fee may be charged for a fixed income portfolio.

#### **\*Calculation of Annual Investment Advisory Fees**

Investment advisory fees are calculated based on an annual rate and paid in quarterly increments in advance. The initial quarterly fee is prorated based on the number of days in the calendar quarter after inception of the account, as specified in the terms of the Investment Advisory Agreement. Subsequent quarterly fees are also prorated based on the actual number of days in the calendar quarter versus the number of days in a full year. To calculate the quarterly fee, the aggregate dollar amount of the client's account(s) based on the quarter ending values on the last business day of the months of March, June, September and December is multiplied by the Annual Advisory Fee (listed above) then by the number of days in the quarter and the result is divided by 365 (the number of days in a year).

For purposes of determining fees, accounts which meet the criteria for related accounts will be aggregated to determine if a lower fee will apply. Related accounts will be combined for fee purposes so that each account will pay a fee which is calculated on the basis of the total of all aggregated accounts. Related accounts are accounts of an individual, his/her spouse and their children, and includes individually owned accounts, IRAs, self-directed accounts (i.e. directed by individual participants) under an employee benefit pension plan ("ERISA plan"), and ERISA plans in which an individual is the sole participant. Furthermore, accounts of the same corporation or business entity are normally deemed as related and will therefore typically be aggregated. For example, if ABC Manufacturing has both a profit sharing plan and a pension plan, these two accounts will be considered related accounts and will be aggregated for purposes of determining the Annual Advisory Fee.

No fee will be credited to the client for the current calendar quarter should any withdrawals from the Investment Account occur in the same calendar quarter. Client may terminate the services of Financial Insights upon written notification, and will be entitled to a prorated credit against the previously paid Advisory Fee, based on the number of calendar days remaining after the service was no longer in effect in the final quarter.

Fees will be debited from the account in accordance with the client authorization in the Investment Advisory Agreement.



Financial Insights will not be compensated on the basis of a share of capital gains or capital appreciation of any account's investments other than as such capital gains and appreciation increase the value of the account on which Financial Insights' fee is calculated each quarter.

Because mutual funds pay advisory fees to their investment advisors and such fees are therefore indirectly charged to all holders of mutual fund shares, client's with mutual funds in their portfolios are effectively paying both the applicant and their mutual fund advisor for the management of their assets. Certain mutual funds, in which clients may invest, distribute payments to broker-dealers or custodians. Such payments may be distributed pursuant to a 12b-1 distribution plan or other such plan as compensation for administrative services and are distributed from the fund's total assets. Neither Financial Insights nor any of its officers and employees will receive, nor may they legally receive, any such payments.

Custodians of client's assets may receive expense reimbursements from some mutual fund companies in an amount equal to the 12b-1 fees. Receipt of this revenue may directly offset some of the custodial and transaction costs that otherwise could have been charged to Financial Insights or the client's. Any such relief from the payment of custodial and transaction charges by Financial Insights will not result in a credit to client.

Financial Insights may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Related accounts are accounts of an individual, his/her spouse and their children, and includes individually owned accounts, IRAs, self-directed accounts (i.e. directed by individual participants) under an employee benefit pension plan ("ERISA plan"), and ERISA plans in which an individual is the sole participant. Furthermore, accounts of the same corporation or business entity are normally deemed as related and will therefore typically be aggregated.

### **Raymond James Financial Services, Inc. Independent Clearing Account (ICA)**

Financial Insights, through its participation in a program with the Investment Advisor Division (IAD) of Raymond James Financial Services, Inc. (RJFS) provides an account called the Independent Clearing Account. The Independent Clearing Account allows Financial Insights to monitor and manage client assets through a myriad of investment vehicles including, but not limited to, stocks, bonds, mutual funds (no-load, institutional and funds at Net Asset Value (NAV)), closed end funds, ETF's, UIT's, options and REIT's. Financial Insights does not participate in option trading. Financial Insights will manage the account on a discretionary or non-discretionary basis, according to the client's objectives and will deduct any Investment Advisory Service fees directly from the client's account or other account previously designated by the client.

There are nominal transaction charges for the execution of trades in the Independent Clearing Account, listed below, which are paid to RJFS and are in addition to Financial Insights' Investment Advisory Service fee.

<b>Options</b>	<b>Equity Transaction Fees</b>	<b>Bonds</b>	<b>M/F's, ETF's, UIT's &amp; Closed End Funds*</b>	<b>Prime Brokerage</b>
\$19.95 per trade + \$1.00 per contract	\$14.95 + \$.01 per share over 1,000 shares	\$14.95	\$19.95	\$25.00

Select no-load funds are offered at no-transaction fee. These fees are subject to change by RJFS at any time.

#### **Fixed Income:**

Fixed Income trades will include a markup based on the length-to-maturity on the bond and will be capped at \$200 per trade. The markup schedule for Fixed Income trades:

< 6 months - \$0 per bond  
> 6 months to < 1 year - \$0.50 per bond  
> 1 year to < 2 years - \$1.00 per bond  
> 2 years - \$2.00 per bond

These fees are subject to change by RJFS at any time.

In choosing the Independent Clearing Account, clients authorize the following per the Raymond James Financial Services' Independent Clearing Account Client Agreement:

- Trading Authorization – client authorizes RJFS to execute trades and engage other investment advisors at the direction of Financial Insights as provided under the terms of the Client Agreement.
- Disbursement Authorization – client authorizes RJFS to disburse funds for investment purposes, or to the client, as instructed by Financial Insights. Client authorizes RJFS to make disbursements of funds held in the account (1) to banks, broker-dealers, investment companies or other financial institutions, or for credit, to an account of identical registration, or (2) to client at address of record.
- Fee Payment Authorization – client authorizes RJFS to pay management fees to Financial Insights from the client's account.
- Release of Information Authorization - client authorizes RJFS to duplicate copies of trade confirmations, account statements and other information to Financial Insights and other parties as directed by Financial Insights.

### **Third Party Wrap Fee Program Services**

In addition to our own Portfolio Management Services, Financial Insights provides access to wrap fee programs sponsored by Raymond James Financial Services ("Raymond James"), a FINRA-member broker dealer unaffiliated with Financial Insights. Through these programs, client accounts are managed by independent third party investment advisers. These programs provide additional investment opportunities among mutual funds, stocks, bonds, and additional securities.

FINANCIAL INSIGHTS, INC. may refer clients to Raymond James Consulting Services (RJCS) which are wrap fee programs offered through Raymond James Financial Services (RJFS). These wrap fee programs are professionally managed stock and bond portfolios. RJCS utilizes independent money managers who specialize in various investment options. Minimum account size for these managed stock and bond portfolios is normally \$100,000 and in some cases \$250,000.

If the investment program recommended to a client is a wrap fee program, the client will also receive the Schedule H or equivalent wrap fee brochure provided by RJFS.

Financial Insights will gather information regarding the client's financial circumstances, and based on this information, we may conclude that a third party program is better suited to the client and recommend a program in accordance with the client's best interests. Factors considered in making this recommendation include account size, risk tolerance, the opinion of each client and the investment philosophy of third party independent advisers available through the various programs we have access to. We will assist the client in reviewing his/her income and expenditures, investment objectives, risk tolerance, liquidity requirements, investment restrictions and other relevant factors. Financial Insights will then provide this information to program sponsors selected by the client and, on an on-going basis, will serve as the client's liaison to the program sponsor.

We will meet with the client on a regular basis, or as determined by the client, to review the account(s). Financial Insights will contact the client on at least an annual basis to review the client's program account and investments. As appropriate, we will provide updated information about the client's financial circumstances to program sponsors in an effort to make necessary adjustments to the client's portfolio in a timely fashion. As such, clients should notify Financial Insights immediately of any material change in the client's financial situation or investment objectives and/or the client wishes to impose or modify existing investment restrictions.

During regular account reviews, if we believe that a different program becomes better suited to a client's particular needs, based on changes in the client's financial circumstances, market conditions or available programs or program options, we may suggest that the client contract with a different program sponsor. Under this scenario, Financial Insights will assist the client in selecting a new program. However, any move to a new program is solely at the discretion of the client.

Third party investment programs generally include services by independent investment advisers consisting of proprietary model portfolios. The independent investment advisers manage model portfolios based on the goals of the portfolio rather than the individual circumstances of any client account. Model portfolios may include only mutual funds or individual stocks and bonds. We may assist the client in order to determine the appropriate asset allocation among available portfolios.

In evaluating wrap fee arrangements, the client should recognize that neither Financial Insights nor any third party adviser managing client assets through the program may negotiate brokerage commissions for the execution of transactions in the client's account. Transactions are effected 'net,' i.e., without commission, and a portion of the wrap fee is generally considered to be in lieu of commissions. Trades are generally expected to be executed only with the broker dealer with which the client has entered into the wrap fee arrangement, in this case Raymond James, so that the investment adviser(s) managing the client's assets through the program will not be free to seek best price and execution by placing transactions with other broker dealers. Our experience indicates that certain broker dealers under clients' wrap fee agreements generally can offer best price for transactions in listed equity securities, but, no assurance can be given that such will continue to be the case with those or other broker dealers which may offer wrap fee arrangements, nor with respect to transactions in other types of securities. Accordingly, the client may wish to satisfy himself/herself that the broker dealer offering the 'wrap fee' arrangement can provide adequate price and execution of most or all transactions. The client should also consider that, depending upon the level of the wrap fee charged by the broker dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if the investment advisers managing the client's assets through the program were free to negotiate commissions and seek best price and execution of transactions for the client's account.

Clients will receive separate disclosure documents for any particular program recommended. Clients are encouraged to review each disclosure document regarding the particular characteristics of any program and managers recommended.

**The Fee Schedule for RJCS is as follows:**

<b>Equity/Balanced*</b>		
<b>Accounts less than \$500,000</b>	<b>Quarterly Fee</b>	<b>Annual Fee</b>
First \$200,000	0.7500%	3.00%
Next \$299,999	0.6250%	2.50%

<b>Accounts equal to or greater than \$500,000</b>	<b>Quarterly Fee</b>	<b>Annual Fee</b>
First \$500,000	0.6250%	2.50%
Next \$500,000	0.5000%	2.00%
Next \$1,000,000	0.4000%	1.60%
Next \$3,000,000	0.3500%	1.40%
Next \$5,000,000	0.3250%	1.30%
Greater than \$10,000,000 is negotiable		

<b>Fixed Income</b>	<b>Quarterly Fee</b>	<b>Annual Fee</b>
First \$500,000	0.3125%	1.25%
Next \$500,000	0.2250%	0.90%
Next \$1,000,000	0.2000%	0.80%
Next \$8,000,000	0.1625%	0.65%
Greater than \$10,000,000 is negotiable		

*\*The minimum annual combined Administrative and Clearing Fee per Account is \$600. The effective fee rates may be higher than the above stated standard asset-based fee schedule based on the minimum annual Administrative and Clearing Fees, as applicable.*

This is the standard fee schedule. RJCS accounts which transferred from an earlier management program or were incepted at an earlier date may be billed at a lower rate. In all cases, account fees are billed at a lower rate than the published fee schedule. Financial Insights is not involved in the management of these accounts.

### **Sub-Advisory Relationships**

Financial Insights may refer clients to Yellowstone Partners, a Limited Liability Corporation registered with the Securities and Exchange Commission, and GSG Capital Advisors, a Limited Liability Corporation registered with the Securities and Exchange Commission to act as sub-advisors. The use of a sub-advisor may present a conflict of interest to the client and therefore at anytime the client can submit a written request that Financial Insights not use a sub-advisor. Absent such an instruction, accounts will be invested in securities as Yellowstone Partners, LLC and/or GSG Capital Advisors, LLC deem appropriate, in their sole discretion, subject to the investment guidelines provided by Financial Insights.

Yellowstone Partners, LLC or GSG Capital Advisors, LLC will arrange for the execution of securities transactions for the accounts through brokers or dealers that Yellowstone Partners, LLC or GSG Capital Advisors, LLC believes will reasonably provide the best execution. All or a portion of the account transactions may be placed away from the Custodian (Raymond James Financial Services) if Yellowstone Partners, LLC or GSG Capital Advisors, LLC believes this will result in best execution.

Financial Insights will assess the client a fee according to the schedule below and will pay Yellowstone Partners, LLC or GSG Capital Advisors, LLC directly for its investment advisory services.

<b>Assets Under Management</b>	<b>Quarterly Fee</b>	<b>Annual Fee</b>
Up to \$1 Million	0.2500%	1.00%
Between \$1 Million and \$5 Million	0.1875%	0.75%
Over \$5 Million	0.1250%	0.50%

## **FEE RECAP INFORMATION**

***Negotiability of Fees:*** In certain circumstances, all fees may be negotiable. In addition, certain family members and personal acquaintances of Financial Insights's affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

***Historical Fee Schedules:*** Some Financial Insights clients entered into an advisory relationship with Financial Insights under different or historical fee schedules or under different terms than those set forth above. These differing fee schedules/terms are no longer available to new clients generally.

***Termination:*** A client agreement may be canceled at any time, by either party, for any reason upon 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

***Other Fees and Expenses:*** All fees paid to Financial Insights for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. In the case of mutual funds, these fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of Financial Insights. In that case, the client would not receive the services provided by Financial Insights which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Financial Insights to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients are advised that certain mutual funds, in which the client may invest, distribute payments to broker-dealers or custodians. Such payments may be distributed pursuant to a 12b-1 distribution plan or other such plan as compensation for administrative services and are distributed from the fund's total assets. Neither Financial Insights nor any of its officers and employees will receive, nor may they legally receive, any such payments.

Custodians of client assets may receive expense reimbursements from some mutual fund companies in an amount equal to the 12b-1 fees. Receipt of this revenue may directly offset some of the custodial and transaction costs that otherwise could have been charged to Financial Insights or the client. Financial Insights, in determining the amount of the fee it would charge the client, will factor in the indirect benefit of the custodian's receipt of this revenue. Any such relief from the payment of custodial and transaction charges by Financial Insights will not result in a credit to client. Such payments are made from the assets of the mutual funds and, therefore, reduce overall fund performance. Financial Insights uses such investments in client's portfolios where it reasonably believes the overall performance of the fund, after accounting for such charges, merits inclusion.

In addition to Financial Insights' advisory fees for Portfolio Management Services, clients are responsible for the fees and expenses charged or imposed by custodians or imposed by third party service providers, broker dealers, including, but not limited to, any spreads, transaction charges, commissions, transfer or processing fees and revenue sharing fees regardless of whether Financial Insights or an independent investment manager effects transactions for the client's account(s). As disclosed above, clients enrolled in Third Party Wrap Fee Program Services will not incur separate brokerage charges for transactions executed in their account. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

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

Hourly fees are due upon completion of the Consulting Services.

## **Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Financial Insights does not charge performance-based fees to any client.

## **Item 7 TYPES OF CLIENTS**

Financial Insights provides advisory services to the following types of clients: individuals, including high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other businesses.

## **Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

**Legacy Holdings.** Investment advice may be offered on any investments held by a client at the start of the advisory relationship. In general, depending on tax considerations and client sentiment, these investments may be sold over time and the assets invested in the appropriate Financial Insights investment strategy. As with any investment decision, there is the risk that Financial Insights' timing

with respect to the sale and reinvestment of these assets will be less than ideal or even result in a short term or long term loss to the client.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially anticipate future price movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the funds or companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Third Party Program Services.** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager or investment program sponsor has demonstrated an ability to invest over a period of time and in different economic conditions. In some cases, we examine a program sponsor's due diligence efforts and rely on such efforts rather than conducting independent due diligence of each third party manager available through the applicable program with which client assets may be invested. We also monitor the underlying holdings, strategies, concentrations and leverages used by any manager in which our clients' assets are invested as part of our overall periodic risk assessment.

With respect to Wrap Fee Managed Program Services, clients should refer to the Program Sponsors disclosure document and the disclosure documents of any third party strategist or manager selected to directly manage any portion of the client's account, as appropriate, for more information regarding the methods of analysis, sources of information and investment strategies used in servicing client accounts.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our

clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

***Risks applicable to all strategies.*** Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9     DISCIPLINARY INFORMATION**

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

Neither our firm nor our management personnel have any reportable disciplinary events to disclose.

## **Item 10    OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Financial Insights is not affiliated, through common control, ownership or otherwise, with any other financial industry entity. As disclosed at Item 4 of this brochure, our Financial Planning Consulting, Intergenerational Services, Elder Concierge and Estate Management Services may include specific services that do not include the provision of investment advice. These may include coordination and/or attendance at family retreats/meetings, facilitation of intergenerational/interfamily communications, estate planning or wealth transfer planning and general wealth consulting topics, among others.

As previously disclosed, Financial Insights recommends the services of various registered investment advisers to its clients through a wrap fee program sponsored by Raymond James Financial Services. In exchange for this recommendation, Financial Insights receives a portion of the investment advisory fee from Raymond James. The fee received by Financial Insights is a percentage of the overall wrap program fee charged by Raymond James. The portion of the advisory fee paid to Financial Insights does not increase the total advisory fee paid to the selected investment adviser by the client.

Financial Insights, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of any material conflicts of interest;
- we disclose to clients that they are not obligated to purchase recommended investment products by our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor any outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and



- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### **Item 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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

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

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [mmullenax@financialinsights.net](mailto:mmullenax@financialinsights.net), or by calling us at 253-627-6010.

Financial Insights and individuals associated with our firm are prohibited from engaging in principal or agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations present potential conflicts of interest, we have established the following restrictions in order to ensure its fiduciary responsibilities:

- No principal or employee of Financial Insights may put his or her own interest above the interest of an advisory client.
- No director, officer or employee of Financial Insights shall buy or sell securities for their personal portfolio(s) when their decision is substantially derived, in whole or in part, by

reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Financial Insights shall prefer his or her own interest to that of the advisory client.

- Financial Insights does not allow any IPO or private placement investments by related persons of the firm.
- Financial Insights has established procedures for the maintenance of all required books and records.
- Clients can decline to implement any advice rendered, except in situations where Financial Insights is granted discretionary authority and has not received prior written instructions from the client.
- Financial Insights maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by both the President of Financial Insights and the Director of Portfolio Management.
- Financial Insights requires delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- Financial Insights has established policies requiring the reporting of Code of Ethics violations to our senior management.
- Financial Insights emphasizes the unrestricted right of the client to decline to implement any advice rendered.
- Financial Insights requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

## **Item 12    BROKERAGE PRACTICES**

### **Consulting and Elder Concierge Services / Financial Planning Services**

Due to the nature of these services and client needs, neither our Consulting and Elder Concierge Services nor our Financial Planning Services include the negotiating of commissions with broker dealers, placing or blocking client trades, obtaining volume discounts or obtaining the best price. Clients will be required to select their own broker dealers for the implementation of Consulting and Elder Concierge Services or Financial Planning Services recommendations. As appropriate, we may recommend any one of several brokers. Clients must independently evaluate these brokers before opening an account. The factors considered by Financial Insights when making this recommendation are the broker's ability to provide professional services, Financial Insights' experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. Financial Insights' Consulting and Elder Concierge Services and Financial Planning Services clients may use any broker or dealer of their choice.

## Best Execution

While the term Best Execution typically defines the investment advisor as having a fiduciary duty to execute "securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances," Financial Insights, Inc. has disclosed to its clients that we will not research all other custodians and may not always have the best execution. Best execution does not always mean the best price. Although this is considered, Financial Insights, Inc. has reviewed and considered the full range and quality of the services of the custodian of its client accounts. For clients seeking a recommendation for brokerage or custodial services, Financial Insights may suggest the use of one or more custodians/broker dealers which have been evaluated by the firm. Due to its ability to meet the criteria established by Financial Insights, as set forth below, and depending on client circumstances and needs, we most typically recommend the use of Raymond James Financial Services, a FINRA member broker dealer unaffiliated with Financial Insights (hereinafter "Raymond James"). Clients should evaluate any custodians/brokers recommended by Financial Insights before opening an account. Financial Insights, Inc. does not blanket recommend any stock for purchase or sale to any of our clients at the same time. We use financial planning principles based on our clients individual risk tolerance and objectives before making an investment recommendation.

Raymond James Financial Services checks to ensure that the customer receives at least the national best bid or offer (NBB) at the time of execution on all transactions on a daily basis. Raymond James & Associates currently uses third party vendors to provide most of the prices for all securities excluding Negotiable Certificates of Deposit. The prices provided in the Back Office system are from the prior night's close. Since Raymond James Financial Services is not pricing securities on a real-time basis, Back Office prices are not to be relied on for trading purposes. Before buying or selling securities Financial Insights, Inc. will verify prices on a real-time quote system or contact the appropriate trading area for a current quote. 20 minute delayed quotes are available via Advisor's Resource and Investor Access.

The criteria considered by Financial Insights when making custodian/broker recommendations are the broker's ability to provide professional services, Financial Insights' experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors. Clients should note that Financial Insights may receive certain benefits or conveniences from Raymond James that it would not receive if it did not offer investment advice to clients. Clients are not under any obligation to direct the use of any recommended broker. Clients are free to select the custodian/broker dealer of his or her choice, however, Financial Insights reserves the right to decline acceptance of any client account if Financial Insights believes that the directed custodian/broker would hinder Financial Insights' fiduciary duty to the client and/or its ability to service the account. Not all advisers require clients to direct the use of a particular broker.

In general, Financial Insights *will not* block trades for client accounts except when adding a new fund to client portfolios or eliminating a fund from all accounts, as applicable. Client account transactions will be implemented separately for each account and consequently, certain client trades may be executed before others, at a different price. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

When blocking trades, we trade an aggregate block of securities composed of assets from multiple client accounts. Depending on the security traded, failure to aggregate a trade may result in clients paying a different price for the same security on the same or a different trading day.

Financial Insights will only be able to block trades for client accounts who direct the use of the same broker.

Financial Insights' block trading policy and procedures are as follows:

- Financial Insights' policies for the aggregation of transactions shall be fully disclosed in this Form ADV;
- Financial Insights will not aggregate transactions unless it believes that aggregation is consistent with our fiduciary duty to our clients and is consistent with the terms of Financial Insights' investment advisory agreement with each client for which trades are being aggregated;
- No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Financial Insights' transactions in a given security on a given business day. Depending on the client's agreement with the custodian/broker, transaction costs will either be shared pro-rata based on each client's participation in the transaction or be based on the number of shares traded for each client;
- Financial Insights will prepare, before entering an aggregated order, a written statement ('Allocation Statement') specifying the participating client accounts and how it intends to allocate the order among those clients;
- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement.
- Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by Financial Insights' compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;
- Financial Insights' books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;
- Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;
- Financial Insights will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- Individual advice and treatment will be accorded to each advisory client and no client or account will be favored over another.

Clients electing not to grant us discretionary authority over their account may not be aggregated with other clients' trades due to the time involved in obtaining the client's approval for each trade. Please refer to Item 16 of this brochure for additional information.

As applicable, clients should refer to the disclosure documents of any sub adviser selected to manage all or a portion of the client's portfolio for information regarding the sub advisers' brokerage practices.

Pursuant to advice provided by Financial Insights, we may receive research services from brokers paid for by 12b-1 fees received by the brokers from funds in which client accounts have been

invested. This arrangement creates a conflict of interest which has the potential to influence recommendations made to clients regarding which mutual funds would be most appropriate for the client's portfolio.

### **Third Party Wrap Fee Program Services**

Neither Financial Insights, nor the Program Sponsor, nor any third party investment adviser whose management services are made available through the program has the discretion to determine the broker dealer to be used for executing transactions in the client's program account. Clients will designate the broker/custodian to provide trade execution and custodial services. Not all advisers require their clients to direct brokerage, although many wrap-fee programs do.

Wrap fee program sponsors, such as Raymond James, are often FINRA-member broker dealers and have designed the wrap fee program so that the firm itself will provide custodial and brokerage services for program accounts. Under these circumstances, the designation of a broker other than the program sponsor or an approved broker/custodian would not be consistent with the Program platforms. Clients participating in a wrap fee program through Financial Insights are responsible for directing brokerage in their Program account(s) through a Financial Insights approved FINRA member broker dealer. Clients participating in one of the Programs also must agree to custody their Program account with a Financial Insights approved FINRA member broker dealer securities clearing firm. Such broker dealers are not affiliated with Financial Insights.

In a wrap fee arrangement, clients pay a single fee for both advisory and brokerage services, that is, client Program transactions are executed without commission charge. A portion of the wrap fee is generally considered to be in lieu of commissions. In evaluating a wrap fee arrangement, the client should recognize that brokerage commissions, if any, for the execution of transactions in the client's account are not negotiated by the Program Sponsor, Financial Insights or the selected third party manager or managers on a trade-by-trade basis and these charges are not separately incurred by the client. Nevertheless, depending upon the level of the wrap fee charged, the commission rates of the broker dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if the Program Sponsor, Financial Insights or the selected portfolio manager or managers were free to negotiate commissions and seek best price and execution of transactions for the client's account.

Program clients should refer to the Program Sponsors Schedule H and/or Form ADV disclosure document and the disclosure documents of third-party investment advisers selected to manage any portion of the client's Program account, as appropriate, for information regarding brokerage practices, including any policy they may have regarding aggregation of trades.

## **Item 13 REVIEW OF ACCOUNTS**

### **Financial Planning Services**

REVIEWS: These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

REPORTS: Financial Planning clients will receive a complete, written financial plan. Additional reports will not typically be provided unless otherwise contracted for at the inception of the advisory relationship.

## **Portfolio Management Services**

**REVIEWS:** While the underlying securities within these accounts are continuously monitored, accounts are reviewed regularly, based on client needs. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

As applicable, clients should refer to the disclosure document (Form ADV, Part 2, or other disclosure document in lieu of Part 2) of sub advisers for information regarding the frequency of reviews conducted by the sub adviser(s).

**REPORTS:** In addition to at least monthly custodial statements, Financial Insights will provide clients with Portfolio Composition and Asset Organization Reports upon request and during annual reviews.

## **Third Party Wrap Fee Program Services**

**REVIEWS:** For clients enrolled in Third Party Wrap Fee Programs, Financial Insights will contact clients at least annually to determine whether there have been any changes in the client's financial situation or investment objectives. In addition, Financial Insights will monitor the performance of the selected third party investment managers at least quarterly. If Financial Insights determines that a particular investment manager is not performing adequately, Financial Insights will contact the client to discuss moving the client's assets from that selected investment adviser(s) and to another investment adviser(s) through the Program.

Clients should refer to the Program Sponsor's disclosure document and the disclosure documents of any third party manager selected to directly manage any portion of the client's account, as appropriate, for more information regarding the nature and frequency of reviews.

**REPORTS:** Clients should refer to the Program Sponsor's disclosure document and the disclosure documents of any third party strategist or manager selected to directly manage any portion of the client's account, as appropriate, for more information regarding the nature and frequency of reports provided by the corresponding investment officers.

Financial Insights will not generally provide additional reports to clients participating in the Programs unless separately negotiated and contracted for.

## **Intergenerational Family Planning, Elder Concierge and Estate Management Services**

**REVIEWS:** These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

**REPORTS:** Consulting and Elder Concierge Services clients will receive reports as contracted for at the inception of the service.

## **Item 14 CLIENT REFERRALS AND OTHER COMPENSATION**

We do not compensate any third party for client referrals.

As disclosed at Item 12 of this brochure, pursuant to advice provided by Financial Insights, we may receive research services from brokers paid for by 12b-1 fees received by the brokers from funds in which client accounts have been invested.

This arrangement may create a conflict of interest which has the potential to influence recommendations made to clients regarding which mutual funds would be most appropriate for the client's portfolio. As such, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- The receipt of research paid for by 12b-1 fees is disclosed in this brochure provided to all clients;
- Financial Insights will ensure that it has an independent basis for any investment recommendation made to a client.

## **Item 15 CUSTODY**

Financial Insights, Inc. does not have actual or constructive custody of client accounts. Financial Insights, Inc. previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that it does not directly debit advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## **Item 16 INVESTMENT DISCRETION**

### **Portfolio Management Services**

We provide our Portfolio Management Services on a discretionary and non-discretionary basis, which means that we will place trades in a client's account as we deem appropriate based on the information previously gathered with or without contacting the client prior to each trade to obtain the client's permission.

Under these circumstances, our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell.

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

For clients that have elected not to grant us investment discretion over their account, we note that trades in their accounts will typically be executed after trades in the same securities are placed in discretionary accounts. This is due to the time involved in obtaining the requisite client approval before placing the trade. Consequently, depending, in part, on the type of security traded there may be a difference in the price paid per share of a given security and, if applicable, the commission rates paid by these clients as compared to other clients.

### **Third Party Wrap Fee Program Services**

Financial Insights does not manage any client's Third Party Wrap Fee Program portfolios. These clients should refer to the Program Sponsors Form ADV, Part 2A, Appendix 1 and/or Form ADV disclosure document and the disclosure documents of third-party investment advisers selected to manage any portion of the client's Program account, as appropriate, for information regarding discretionary authority granted to these parties.

#### **Item 17 VOTING CLIENT SECURITIES**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

**Other Corporate Matters:** We will advise and/or act on behalf of the client in legal proceedings involving companies whose securities are held in the clients account(s), including, but not limited to, the filing of Proofs of Claim in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 18 FINANCIAL INFORMATION**

Financial Insights has no adverse financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Financial Insights has not been the subject of a bankruptcy petition at any time during the past ten years.