

Bauer Captain & Johnson, Inc.

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Bauer Captain & Johnson, Inc. If you have any questions about the contents of this brochure, please contact us at (480) 483-1510. 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 Bauer Captain & Johnson, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Bauer Captain & Johnson is 109376.

Bauer Captain & Johnson, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

SUMMARY OF MATERIAL CHANGES

Form ADV Part 2A, Item 2

Background

On July 28th, 2010, the United States Securities and Exchange Commission published "Amendment to Form ADV" which amends the disclosure document that we provide to clients as required by SEC rules. This brochure dated January 1, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Summary of Material Changes item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of those changes. We will also reference the date of our last annual update of our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to the new SEC 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 fiscal year, which is December 31st. We may also provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary, at any time, without charge.

Currently, our Brochure may be requested by contacting Country Bray, CCO at 480.483.1510 or country@bauercaptain.com. Our Brochure is also available on our website www.bauercaptain.com, also free of charge.

Additional information about Bauer Captain & Johnson (BCJ) is also available on the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with BCJ who are registered, or are required to be registered, as investment advisor representatives of BCJ.

Material Changes: Since our last annual update of 1/1/12, Bauer Captain & Johnson has:

Obtained a new Chief Compliance Officer, Country D. Bray

Added one office location: Orlando, FL.

Added one Investment Advisor Representative: Michael J. Hanley

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Advisory Business

Form ADV Part 2A, Item 4

Bauer Captain & Johnson (BCJ) is a privately held, employee owned, independent registered investment advisory firm started in January 1996. The principals of the firm are Kevin Bauer, President, Stephen Captain, Vice President, Andrea Bauer, Secretary/Treasurer, and Mark Johnson, Shareholder. We have offices in Scottsdale, Arizona; Davis, California; Houston, Texas; Boise, Idaho; Salt Lake City, Utah; Tucson, Arizona and San Diego, California.

BCJ's primary advisory service for individuals falls into the category of Wealth Management. Wealth Management is a term that is used to define an advisory discipline that incorporates financial planning, investment management, legacy planning, business planning into an offering that is coordinated with the client's tax, legal, banking, and risk management advisors. We use a phrase "we don't fit our clients into a box, we build the box around them" to describe our approach to tailoring our advisory services to client's individual needs.

Although we define our primary service as Wealth Management, not all clients want or need the full scope of the Wealth Management services offering. We often provide "ala carte" services to clients based upon their needs and desires. Meaning some clients may just use our financial planning services while others may just use investment management services. In all cases, the services are client centric and clients may impose restrictions on the type of securities or the class of investments.

BCJ also may provide investment consultation and management to "institutional clients" including 401k and pension plans, foundations, not for profit organizations and Taft-Hartley plans.

BCJ, however, does not provide portfolio management services to wrap fee programs.

As of January 1st, 2011, our clients have entrusted BCJ to manage a total of approximately \$241 million of their assets on a non-discretionary basis. In addition, we advise on, but do not directly manage, approximately \$85 million.

Fees and Compensation

Form ADV Part 2A, Item 5

How We are Paid

BCJ provides advisory services on a fee basis. The fee structure is dependent upon the client engagement and may vary from client to client. BCJ will generally bill fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter. We typically deduct all of our fees from the client's assets that we manage. The specific manner in which fees are charged by BCJ is established in the client's written agreement with BCJ.

Our fees fall into one of three categories: wealth management, financial planning and investment management fees.

Wealth Management

The initial set up fee is generally \$1,000, payable in advance at the time of signing the agreement. The remainder of the on-going fee is billed in advance each calendar quarter. The fees and the specific services provided are negotiated separately with each client and are based upon the complexity of the challenges and services provided. If investment advisory and management are part of the services agreement, the client may choose to have fees automatically deducted from their advisory accounts. In this case, the fee as a percentage of assets under management may be more or less than the fees outlined in investment portfolio advisory service fees outlined below. In no case will the initial set up fee represent more than one-half the total annual fee.

Financial Planning Fees

Hourly consultation services

Clients not in need of a full financial plan, but rather advice in one or more planning areas or regarding specific investments will be charged a maximum hourly rate of \$300 for professional services. The total amount of the fees will be estimated in the contract Advisor has with the client. The total fees may be higher than estimated. Fees will be payable upon receipt of bill.

Financial Planning Fees

The fees are firm, fixed price contracts with the client. Fees are payable 50% in advance with the balance upon completion of services. Fees in this category will range from \$500 to \$50,000 or as agreed upon in the financial planning agreement. Fees are determined individually with each client and will be based upon the complexity and scope of the planning challenges. If clients also have asset under management at BCJ, they may elect to have the financial planning fee deducted from their investment accounts.

Fees for Annual updates to Financial Planning Fees

The fees for the annual updates to financial plans will generally be set at one-half the price of the initial planning fee and therefore range from \$250 to \$25,000. This fee will be disclosed and agreed to with the client in the initial financial planning agreement. If clients also have asset under management at BCJ, they may elect to have the annual update financial planning fee deducted from their investment accounts.

Investment Management Fees

The maximum fees for portfolio advisory services are determined and based upon the assets in the client's portfolio using the following cumulative fee schedule:

<u>Portfolio Value</u>	<u>Maximum Fee</u>
\$100,000 to \$500,000	1.50%
\$500,001 to \$2,500,000	1.00%
\$2,500,001 to \$5,000,000	0.70%
\$5,000,001 to \$10,000,000	0.60%
above \$10,000,001	0.50%

For example, the maximum annual portfolio advisory fee assessed on a portfolio valued at \$1,000,000 would be \$12,500. (First \$500,000 at 1.5% and the next \$500,000 at 1%).

Depending upon unique circumstances fee may be subject to negotiation. Fees assessed on different assets in a portfolio may vary, depending on restrictions and complexity of management.

Minimum Account Size

The minimum amount to open and maintain an account with Advisor is \$100,000.

Other Fees You Should Understand

Clients are not subject to any fees other than those outlined in the advisory services agreements for services from BCJ.

BCJ uses independent, third party custodians to hold the assets of our investment management clients. These custodians do not impose fees to open or hold an account. They will charge a termination fee if the account is transferred to another custodian. The custodian may also charge fees for some services, e.g. to overnight a check or a wire transfer.

Internal Investment Expenses

The investment accounts will often use open and closed end mutual funds, exchange traded funds (ETF) or separately managed accounts (SMA). The internal fees of the various types of ETFs, which are retained by the ETF sponsor, will typically vary from 0.06% to 1.22% annually. The internal fees of the various types of open and closed end mutual funds, which are retained by the mutual fund sponsor, will vary from 0.34% to 2.75%. The internal fee of the various SMA typically will range from 0.20% to 1.25%. BCJ does not share in these fees however we consider the internal investment expenses in our selection process.

Transaction Costs

In all cases, BCJ uses No Load Mutual funds which are no commission funds. Most mutual funds used by BCJ are also referred to as No Transaction Fee (NTF) funds by the fund custodians. This means that a purchase or sale of an NTF fund for a client account does not incur any trading costs. BCJ may at times use what are called

Transaction Fee (TF) funds. These funds do incur a cost to purchase or sell of between \$25 and \$40 dollars depending upon the custodian. This transaction fee is retained by the custodian.

The use of exchange traded funds (ETF) in a client's portfolio may incur a transaction fee charged and retained by the custodian. Each custodian has Non Transaction Fee and Transaction Fee exchange traded funds and BCJ, were possible, will use the Non Transaction Fee fund. The cost to purchase or sell a transaction fee ETF is generally between \$7.95 and \$19.95 per transaction. The price variability is based upon the custodian rules regarding account size and / or the use electronic document delivery.

Some open end mutual funds also charge short term redemption fees ranging from 0.5% to 2.0% to discourage short term trading in their funds. Custodians may also charge \$40 or \$75 for short term redemption for on open end mutual funds if the advisor engages in short term (less than 90 days) purchases and sales. Our trading software is set to avoid these short term transactions. If short term liquidity is anticipated, advisor would look to avoid the few funds that would charge the short term redemption fees

Third Party Asset Management Programs (TAMP)

At times, the best investment management solution may be to have some or all of client's assets managed using a Third Party Asset Management Program. Each TAMP has their own fee schedule that generally includes the asset manager, program fees and custody fees. If a TAMP is part of the recommended solution, then the specifics of the fees will be outlined in the TAMP documentation and enrollment materials.

Fee Refund Policy

Wealth Management Fees

A full refund will be provided without penalty if the client terminates the wealth management agreement within five days of the execution of the agreement. Advisor, upon receipt of a written request from the client after five days, will refund fees on a pro-rated basis determined by the amount of work completed, subject to the hourly rate maximum.

Financial Planning Fees

Our fixed financial planning fees require 50% of the fee paid at the time of engagement with the balance due upon presentation and delivery of the plan. A full refund will be provided without penalty if the client terminates the financial planning agreement within five days of the execution of the agreement. Advisor, upon receipt of a written request from the client after five days, will refund fees on a pro-rated basis determined by the amount of work completed, subject to the hourly rate maximum.

Investment Management Fees

The investment advisory agreement ("the agreement") may be terminated by either party upon written notice at any time. If asset management fees are collected in advance and the agreement is terminated, the fees are refundable to the client pro-rated to the number of days remaining in the quarter in which the client received Advisor's services. Accounts opened during a calendar quarter will have the fee pro-rated based

upon the number of days remaining in the quarter. For fees collected in arrears, any earned, unpaid fees will be due and payable. Management fees will not be prorated for each contribution or withdrawal made during the applicable calendar quarter.

Conflicts of Interest

Investment Advisor Representatives or BCJ receive no compensation for any investment transactions recommended under our advisory relationship with our clients. As noted earlier in this section, all fees charged by the custodian and product sponsors are retained by the custodian and product sponsor.

Bauer Captain & Johnson is not licensed to receive commissions from the sale of investment or insurance products. However, individual Investment Advisor Representatives (IAR) of BCJ may be registered representatives and individual advisory representatives of AXA Advisors, LLC. **Refer to ADV Part 2B for specific information regarding your Advisor.** As such, the IAR may receive a commission for the securities transactions through this AXA Advisors, LLC. This presents a conflict of interest and may give the individual advisor representative incentive to recommend investment products based upon the compensation received, rather than client's needs.

Additionally, Investment Advisor Representatives of BCJ may be licensed insurance agents and may receive commissions for insurance products purchased through the individual IAR. This also presents a conflict of interest and may give the individual advisor representative an incentive to recommend insurance products based upon the compensation received, rather than client's needs.

Clients always have the option to purchase investment or insurance products, that are recommended by individual IARs at BCJ, from other brokers or agents that are not affiliated with BCJ or AXA Advisors.

Fee Offsets: Refer to ADV Part 2B regarding the reduction in advisory fees by your advisor if he / she also receives a commission or other fees for the sale of investment products.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

Bauer Captain & Johnson has no performance based fee arrangements, however, we may evaluate requests by certain "qualified clients" (as defined by Rule 205-3(d) under the Investment Advisors Act of 1940) to enter into advisory contracts using performance based fees for compensation.

Performance based fees provide compensation to the advisor based on a share of capital gains on, or capital appreciation of, the assets of a client. They may create an incentive for the advisor to recommend investments which may be riskier or more speculative than those for which would be recommended under a different fee arrangement.

Types of Clients

Form ADV Part 2A, Item 7

Types of Clients

We provide, or have the capability to provide, investment advisory services to a variety of clients, including individuals, high net worth individuals, pension and profit sharing trusts, Taft-Hartley plans, foundations, charitable organizations, and other “institutional clients”.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Our Benchmark is Your Life.

Our general philosophy regarding investment strategies and risk is built around a goal-based approach and that our primary value offer is helping clients accomplish the goals that are important to them without taking unnecessary risk. This approach is in sharp contrast to the traditional investment approach of maximizing risk to maximize return and a value offer of relative returns to an artificial benchmark. In a goal based model, the relative returns to an artificial benchmark approach is an inadequate measure of success, primarily because it is possible to create returns in excess of the benchmark each and every year and still not meet a client’s retirement goal. To that end, we don’t believe there is only “one way” to manage assets. We realize that different time periods may call for different investment approaches to accomplish a specific client goal. These time periods and different investment approaches relate to secular or long term trends in the investment markets and the cyclical or short term trends that occur within the longer term trend. What this means is that we will work with clients to determine the specific uses or goals for the portfolio and develop an investment strategy specific to each goal; that considers the client’s priorities attached to each goal and that looks to take only the risk necessary to meet the goal.

Type of Investments

We say we are “agnostic to the solution” in the recommendation development process. Meaning that we don’t assume a solution and try to convince you that you need it, we bring the appropriate solutions to bear on the issues that our clients face. Our portfolios might include, but certainly aren’t limited to, exchange traded funds (ETF), open and closed end mutual funds, real estate investment trusts (REITS), separately managed accounts (SMA), hedge funds or some combination of the above.

Method of Analysis

Our analysis methodology would be considered fundamental, although it does include some technical review. At times, manager selection can add appreciably to returns, particularly in secular bear environments. We pay close attention to the portfolio construction process. Using a disciplined process of quantitative and

qualitative metrics, we select the blend of investments and managers that “play well together” in the context of overall portfolio interactions that produce a match for client’s needs and risk tolerance.

Our security selection and monitoring process starts with a quantitative screening to look for consistent top quartile performance over 1, 3 and 5 years and a consistent management team over that same period. Once the list is limited to a workable number of candidates, additional quantitative analysis particularly looking at levels of risk is as well as third party reviews and analysis to come to a recommendation. The recommendations are made to investment committee for final decision.

Forward Looking Portfolio Construction

Decisions about movements along the portfolio strategy spectrum will have a major impact on your long-term investment results. Although we measure and back test with historical data, we are forward-looking in our views, incorporating macro trends with returns, risks and correlations to construct the recommended portfolios.

Each advisor then works with their clients to get agreement on the final investment strategy and portfolio recommendations.

Risk management and Risk of Loss

Risk is not a dial that you turn up or down to increase or decrease your returns. Risk management is a vital component of our investment process. Risk management is part of every decision and recommendation that we make. Although our overall approach is of taking only necessary risk, investing in securities involves risk of loss that each client should be prepared to bear.

Disciplinary Information

Form ADV Part 2A, Item 9

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Bauer Captain & Johnson or the integrity of Bauer Captain & Johnson’s management.

BCJ has no legal or disciplinary events to disclose as required by the SEC or any other material disciplinary or legal event that would be material.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Registered Persons

Related persons (IARs) of BCJ may be registered representatives and individual advisory representatives of AXA Advisors, LLC. Refer to ADV Part 2B regarding your advisor if he / she is a registered representative or a dually registered investment advisory representative.

Futures and Commodities

No management or related persons of BCJ are registered as a futures commission merchant, commodity pool trader or a commodity trading advisor.

Material Relationships with Related Persons

BCJ is an independent registered investment advisory firm and is not an affiliate of any other financial organization. However, individual investment advisor representatives of BCJ may have an affiliation with a broker-dealer (AXA Advisors, LLC, member FINRA, SIPC) and an insurance company (AXA Network, LLC). Refer to ADV Part 2B for specific information regarding your Advisor. As such, the Advisor may receive a fee for investment advice or a commission, for the securities transactions through this AXA Advisors, LLC. This presents a conflict of interest and may give your advisor incentive to recommend investment products based upon the compensation received, rather than client's needs.

Recommendation of Outside Investment Advisors

At times, BCJ investment advisors may recommend that some or all of client's assets be managed by outside or Third Party Asset Management Program. BCJ receives no compensation directly or indirectly from these advisors for the recommendations. BCJ has no other business relationships with these advisors that would create a material conflict of interest.

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

Form ADV Part 2A, Item 11

Code of Ethics

A Code of Ethics ("Code") has been adopted by Bauer Captain & Johnson, Inc. for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The code of ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at BCJ must acknowledge the terms of the Code of Ethics annually, or as amended. Upon request Bauer Captain &

Johnson. Inc. will provide any client or prospective client a copy of the firm's Code of Ethics.

Participation in Client Transactions

Neither Bauer Captain & Johnson nor any of its related persons recommends or buys or sells for client accounts any security in which BCJ or a related person has a material financial interest. BCJ never acts as a principal in a securities transaction for client accounts. BCJ will not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

Personal Trading

All securities transactions of Advisor's associated persons will be reviewed by a principal of Advisor to avoid any conflicts. Records will be maintained of all securities bought or sold by Advisor and its associated persons. Should a client and an associated person of Advisor purchase or sell the same security at or about the same time, the client's order will be entered before the associated person's. Certain affiliated accounts may trade in the same securities with client accounts on an aggregate basis when consistent with BCJ's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Partially filled orders will be allocated on a pro-rata basis.

Brokerage Practices

Form ADV Part 2A, Item 12

Brokerage Conflicts and Soft Dollar Arrangements

BCJ does not use brokerage commissions, mark ups or markdowns to obtain research or other products and services from our Custodians. We receive no client referrals from the broker-dealer/custodian that would create a conflict when recommending custodians to clients. We do receive a \$2,000 per year discount on our portfolio management software license from Charles Schwab for maintaining a minimum of \$10 million dollars of assets in custody with them. Fidelity is providing BCJ with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

BCJ has no incentive to select or recommend a particular broker-dealer other than receiving favorable execution for our clients. BCJ does not use Directed Brokerage arrangements with broker-dealers.

When possible, BCJ will aggregate the purchase or sale of securities for client accounts. When trades are aggregated or done in "blocks", clients will receive the average price for the block. If the aggregated trade is not completely filled, we will allocate the trade on a pro-rata basis.

Review of Accounts

Form ADV Part 2A, Item 13

Review of Accounts

Our internal procedures generally require at least an annual review of accounts and updates of any factors that may impact the investment or investment strategies for all of our investment management clients. However, in practice we work with each client to determine the review schedule that they are most comfortable with, which may result in a review schedule that meets more often than annually or that exceeds the general annual review guideline. Additionally, our technology platform allows daily monitoring of the client portfolios for: the need to raise cash to reach an accounts established cash minimum, to invest cash that exceeds the account cash minimum, or deviation from the allocation model.

Review of Financial Plans

Financial planning, estate planning, and investment recommendations and updates will be generally need to be reviewed with each client at least annually, however the review schedule will be customized to meet the client's needs.

Review of Portfolios

All portfolios are reviewed continuously by our investment management and compliance team rather than on a periodic schedule. BCJ's investment committee meets weekly to discuss the portfolios, review the performance of the portfolios and the individual investments that make up the portfolios. Any modifications to the portfolios are generally done at the start of each quarter. However, external events will often require modifications to the portfolios intra-quarter.

Client Reporting

We provide performance reports to our non-TAMP clients on a quarterly basis. All of our non-TAMP accounts also receive separate monthly statements from the independent portfolio custodian that detail all holdings, transactions and other activity in the account. Additionally, clients have 24/7 access to their accounts directly through the custodian website or through our Client Portal.

Clients that have a mix of TAMP and non-TAMP accounts will receive separate monthly statement from the portfolio custodian as well as the TAMP detailing all the holdings. Our Client Portal will provide an aggregated view of all of the accounts.

We urge clients to compare the account statements that they receive from their account custodian with the statements that they receive from BCJ. In the event of discrepancies, the statement from the custodian will be the official record.

Clients that participate only in TAMP programs will receive their reports from the plan sponsors.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Economic Benefit Conflicts

This section is meant to describe any compensation that BCJ or its investment advisor may receive from product sponsors or other non-client entities that might create a conflict of interest. This would include such things as direct compensation or sales awards for product placements

BCJ or its investment advisors receive no economic benefit from anyone other than our clients for providing investment advice or other advisory services.

Compensation Paid to Non-Supervised Persons (Solicitors)

BCJ utilizes the services of outside solicitors. The solicitors may receive compensation pursuant to a written agreement between BCJ and each solicitor. No additional fees or expenses will be charged to the Client as a result of the Solicitor's referral activities that result in the Client becoming an investment advisory client of BCJ. Therefore, there is no differential in the amount or level of the investment advisory fees charged to clients by BCJ, when compared with that ordinarily charged to new clients of BCJ receiving substantially similar investment advisory services. Written disclosure will be provided to clients and prospective clients as required by Section 206(4)-3 under the Investment Advisers Act of 1940, as amended. Disclosure regarding this compensation agreement will be provided to the client prior to or at the time of entering into any investment advisory agreement with BCJ.

Custody

Form ADV Part 2A, Item 15

Independent Custody

Bauer Captain & Johnson does not maintain custody of client funds. Custody of client assets is maintained by independent custodians: Schwab Advisor Services or Fidelity Institutional Wealth Services. Clients will receive monthly or quarterly statements detailing holdings and account activity from their custodian. Additionally, clients have 24/7 access to their accounts through the custodian's web access systems. BCJ also provides clients with written statements reflecting positions and performance during the preceding quarter. We urge clients to compare the account statements that they receive from their account custodian with the statements that they receive from BCJ.

In the event of discrepancies, the statement from the custodian will be the official record.

Schwab Advisor Services

Advisor may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab Advisor Services"), a registered broker-dealer, to maintain custody of

clients' assets and to effect trades for their accounts. Advisor and Schwab Advisor Services are separate, unaffiliated entities. Schwab Advisor Services provides Advisor with access to its institutional trading and operations services typically not available to Schwab's retail customers. These services generally are available to independent investment advisory firms at no charge to them so long as a total of at least \$10 million of advisor's clients' account assets are maintained at Schwab Advisor Services. Schwab Advisor Services' services include brokerage, custody, research, access to mutual funds and other investments that are generally available only to institutional investors or would require a significantly higher minimum investment. Schwab Advisor Services also makes available to Advisor other products and services that benefit Advisor. Some of these other products and services assist Advisor in managing and administering clients' accounts. These include software and other technology that provides access to client account data (such as statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Advisor's fees from its client's accounts, and assist with back office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of Advisor's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services may also provide Advisor with other services intended to help Advisor manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing.

Schwab Advisor Services also provides various products, services and other benefits to Advisor at no cost or a reduced cost based upon Advisor's commitment that Advisor's clients will place or maintain a specified dollar amount of assets in accounts with Schwab Advisor Services within a specified period of time. Advisor may be influenced by this commitment in recommending or requiring that client's establish brokerage accounts at Schwab Advisor Services.

The products and services or other benefits provided by Schwab Advisor Services include payments offsetting the fees otherwise payable by Advisor for software that, among other things, may provide portfolio accounting, performance reporting, client contact and relationship management.

Some of the products, services and other benefits provided by Schwab Advisor Services benefit Advisor and may not benefit Advisor's clients' accounts. Advisor's recommendation that a client place assets in Schwab's custody may be based in part on benefits Schwab provides to Advisor, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

Advisor places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Advisor may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients so that Advisor is more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

For Advisor's clients' accounts maintained in custody at Schwab, Schwab generally does not charge separately for custody but is compensated by the account holders through commissions or other fees related to transactions and/or assets held in the client accounts.

Fidelity Institutional Wealth Services

BCJ has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides BCJ with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist BCJ in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help BCJ manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom BCJ may contract directly.

BCJ is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

BCJ will use Fidelity Institutional Wealth Services, part of Fidelity Brokerage Services, LLC. for those clients or for those accounts where Fidelity may provide access to managers or services that Schwab Advisory Services does not.

SEI

Bauer Captain & Johnson (Adviser) participates in SEI's Managed Accounts Program (the "MAP Program"). To participate in the MAP Program, BCJ, SEI Investments Management Corporation ("SIMC") and the individual investors execute a tri-party agreement ("Managed Account Agreement") providing for the management of certain investor assets in accordance with the terms thereof. Pursuant to a Managed Account Agreement, the investor appoints the Adviser as its investment adviser to assist the investor in selecting an asset allocation strategy, which would include the percentage of investor assets allocated to designated portfolios of separate securities (each, a "Managed Account Portfolio") and may include the percentage of assets allocated to a portfolio of mutual funds advised by SIMC or an affiliate of SIMC. The investor appoints SIMC to manage the assets in each Managed Account Portfolio in accordance with a strategy selected by the investor together with the Adviser. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

SIMC may impose minimum account balances ranging from \$50,000 to \$1,000,000 depending upon the Managed Account Portfolio chosen and whether the investor selects the tax management feature.

Under the MAP Program, the investor receives investment advisory services, the execution of securities brokerage transactions, custody services and reporting services for a single specified fee. Participation in the MAP Program may cost the participant more or less than purchasing such services separately. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

Additionally, the MAP Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard MAP Program. In IMAP, SIMC selects one sub-adviser to serve as a tax manager for the entire Managed Account Portfolio. Other sub-advisers recommend securities using buy/sell lists for their specific asset class to which the investor has selected. An integration fee will be charged to the investor's account when the investor selects the IMAP feature. The fee will cover the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention. These additional fees only apply to the equity portion of an investor's account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or funds portion of the investor's account (if applicable). A selection of investor's assets may receive a fee discount.

Bauer Captain & Johnson participates in The GoalLink Integrated Managed Account Program ("GoalLink Program"). The Adviser offers the GoalLink Program to high net worth individuals, trusts, endowments, foundations and institutions. Through the GoalLink Program, Adviser serves as the primary investor contact, responsible for analyzing the investor's current financial situation, return expectations, risk tolerance, time horizon, and asset class preference. Using the GoalLink Presentation Tool, the Adviser and the investor select an investment strategy ("Strategy") which is then submitted and reviewed by a representative of SEI Investments Management Corporation ("SIMC"). The Strategy may include a combination of individual securities and mutual funds advised by SIMC (the "SEI Funds"), based upon the investor's selected Strategy and account size.

To participate in the Program, the Adviser, SIMC and the individual investors execute a tri-party agreement ("Agreement") providing for the management of certain investor assets in accordance with the terms thereof. Pursuant to the Agreement, the investor appoints the Adviser as its investment adviser to assist the investor in selecting the Strategy. Based upon the selected Strategy, SIMC will have investment authority of the assets and will make prescribed adjustments to the Strategy weights based on the market environment at a point in time. However, the investor may, at any time, impose reasonable restrictions on the management of the investor's account or choose a new Strategy. SIMC's investment authority is effective until changed or revoked in writing. SIMC may delegate its day-to-day responsibility for selecting particular securities to one or more sub-advisers.

Under the GoalLink Program, the investor receives investment advisory services, the execution of securities brokerage transactions, custody services, and reporting services for a single specified fee. Participation in the GoalLink Program may cost the participant more or less than purchasing such services separately. In addition, the GoalLink Program fee may be higher or lower than that charged by other sponsors of comparable wrap

fee programs.

Bauer Captain & Johnson participates in The SEI Asset Allocation Program, which is offered to high net worth individuals, defined benefit plans, participant and non-participant directed defined contribution plans, institutions, endowments, and foundations.

With the SEI Asset Allocation Program, the Adviser serves as the investment adviser to the investor, and is responsible for analyzing the investor's current financial situation, return expectations, risk tolerance, time horizon, and asset class preference, pursuant to the Adviser's investment advisory agreement. Based upon the investor's information, the Adviser and the investor select an investment strategy and choose from one of many mutual fund asset allocation models, which may be provided by SEI Investments Management Corporation ("SIMC"), or purchase the individual mutual funds.

The Adviser will allocate the assets placed in the investor's account among the SEI Funds (a family of mutual funds advised by SIMC) in accordance with the investment strategy, goal or model selected by the investor. The investor, through the Adviser, may adjust their asset allocation to help ensure that the mix reflects the objectives of the chosen strategy. The investor may, at any time, impose reasonable restrictions on the management of his/her account or choose a new investment strategy. For participant-directed plans, assets will be invested in the SEI Asset Allocation mutual funds and other style-specific SEI Funds (if applicable).

In accordance with the investor's investment objectives, the Adviser may also allocate assets placed in the investor's account among the SEI Funds through SEI's Private Client Models, which reflect SIMC's institutional asset allocation models more aligned with individual investors' goals. SIMC expects to make changes to the Private Client Models periodically to incorporate changes to the mutual fund asset allocations underlying the models. Upon consent from the Adviser (on behalf of the investor), these asset allocation changes will be made to the investor's accounts invested in the Private Client Models.

The SEI Funds are administered, distributed, and in some cases advised by SIMC or its affiliates for which it is paid fees as disclosed in the SEI Funds' prospectuses. The prospectus(es) should be read carefully by all investors before investing in the SEI Funds.

The SEI Funds expenses are found in the Funds' prospectus, which should be read carefully by all investors before investing. For SIMC's fees on assets held in the separate accounts, the fees are determined based on the asset classes incorporated in the investor's account. SIMC's fees shall be a percentage of the market value of the investor's account assets held in the Strategy. The fees shall be calculated and payable quarterly in arrears and net of any income, withholding or other taxes.

Investment Discretion

Form ADV Part 2A, Item 16

Discretionary Authority

The Company will not accept discretionary authority to buy and sell securities. The Company's investment advisory services are provided on a non-discretionary basis. However, automatic portfolio rebalancing will be part of the portfolio and investment advisory services.

Automatic Portfolio Rebalancing

BCJ does provide for automatic portfolio / account rebalancing services. This may be to raise cash, invest cash, adjusting the asset allocation back to within model tolerances due to; asset allocations made by the investment committee, removal or addition of managers or funds, and/or allocation drift due to changes in asset values.

Voting Client Securities

Form ADV Part 2A, Item 17

As a matter of firm policy and practice, Bauer Captain & Johnson does not have any authority to and does not vote client securities on behalf of advisory clients.

Clients will receive proxies or other solicitations directly from their custodian or transfer agent. Clients may contact their BCJ advisor representative if they have questions about the proxy or other solicitation that they have received.

Financial Information

Form ADV Part 2A, Item 18

Audited Balance Sheet

Bauer Captain & Johnson does not require or solicit prepayment for its investment management services of more than \$1,200 or six months or more in advance, therefore a disclosure of an independently audited balance sheet is not required.

Material Financial Conditions or Bankruptcy Petition

BCJ has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to clients. Bauer Captain & Johnson has never been the subject of a bankruptcy petition.