

Item 1 Cover Page

Sage Future Financial, LLC

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Brochure

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This brochure provides information about the qualifications and business practices of Sage Future Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (505) 298-4040 or [dscygan@sagefuture.com](mailto:dscygan@sagefuture.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sage Future Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Sage Future Financial, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

**Summary:** Sage Future Financial, LLC (the Registrant) is a fee-only financial planning and investment advisory firm based in Albuquerque, New Mexico. Donna Skeels Cygan, CFP®, MBA is the President and Senior Financial Advisor. Ms. Cygan has been providing fee-only financial services since 1998, when she opened her previous fee-only financial advisory firm, Essential Financial Planning, Inc. She sold the firm in December of 2007 and worked for the buyer throughout 2008. She opened Sage Future Financial, LLC in December of 2009.

Sage Future Financial, LLC serves as a fiduciary to its clients, and Ms. Cygan takes the responsibility very seriously. The firm is strictly fee-only, and does not accept any compensation from commissions or referral fees.

## **Item 2 Material Changes**

There have been no material changes made to Sage Future Financial, LLC's disclosure statement since last year's Annual Amendment filing on May 5, 2011.

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## Item 4 Advisory Business

- A. Sage Future Financial, LLC is a limited liability company formed in the State of New Mexico. The Registrant became registered as an Investment Adviser Firm in December 2009. The Registrant is owned by Donna Skeels Cygan, the Registrant's Managing Member.
- B. The Registrant offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) financial planning and investment advisory services.

### **Financial Planning and Investment Advisory Services**

The client can determine to engage the Registrant to provide combined financial planning and discretionary investment advisory services on a *fee-only* basis.

**Financial Planning Services:** To the extent requested by the client, the Registrant may provide financial planning services, which are customized for each client. They may include:

- retirement planning
- tax planning
- estate planning
- cash flow planning
- college funding
- risk management and insurance
- business planning

The financial planning services are extensive. Typically, retirement projections and net worth statements are updated annually. Withdrawal rates (for retired clients) and savings rates (for working clients) are reviewed annually. Tax planning is ongoing. Insurance topics and estate planning topics are discussed every few years. Other topics are covered when pertinent. All financial planning services focus on helping the client achieve their financial goals.

Not all clients will need all of the services. For example, some clients may not need advice regarding college funding, cash flow and budgeting, long-term care insurance, etc. The services provided to each client will depend upon their own goals, needs, and requests.

As stated above, to the extent requested by the client, the Registrant provides financial planning services on topics such as estate planning, tax planning, insurance, etc. Neither the Registrant nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any

such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Investment Advisory Services:** Typical services for **new** clients include:

- Analyzing current investments
- Assistance in consolidating investment accounts and transferring assets
- Discussions about risk tolerance, and development of an Investment Policy Statement
- Investment recommendations for each investment account
- Implementation of investments once approved by client

Typical **ongoing** investment advisory services include:

- Ongoing investment management of accounts at Charles Schwab & Co., Inc. ("*Schwab*") or other brokerage firms (if the client completes legal documents that provide Registrant with access and authority).
- Monitoring, rebalancing, adjusting portfolio allocations, selection of investments, and buy and sell executions.
- Establishment of monthly automatic distributions from investment accounts (for retired clients) or automatic monthly deposits with dollar cost averaging (for working clients).

The investment advisory services are provided on a discretionary basis, in accordance with the investment objectives of the client.

The Registrant's primary service is a "full service" engagement. Full service clients receive financial planning services as well as investment management services. The Registrant, on occasion, in its sole discretion, may determine to provide "stand-alone" consulting services (i.e. Project or Financial Review) on an hourly or fixed fee basis. These stand-alone services do not include investment management. The Registrant also provides *pro bono* services on occasion.

The Registrant provides each Full Service client with combined ongoing financial planning and discretionary investment management services on an annual fixed fee basis. There are typically 3-4 client meetings during the first year, and 1-3 client meetings during the second year and thereafter. Additional meetings with estate attorneys, accountants, or insurance agents are available as needed.

In addition to the services listed above, there is a focus on educating the client on financial planning topics and investment topics.

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

In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon.

**Disclosure Statement:** A copy of the Registrant's written Brochure shall be provided to each client prior to, or contemporaneously with, the execution of the *Financial Planning and Investment Advisory Agreement*.

- C. The Registrant provides financial planning and investment advisory services specific to the needs of each client. The Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s) on the Investment Policy Statement. The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in wrap fee programs.
- E. As of February 3, 2012, Registrant managed approximately \$53,144,928 of client assets on a discretionary basis in 195 accounts.

## **Item 5 Fees and Compensation**

- A. The Registrant is a fee-only financial planning and investment advisory firm. The Registrant does not sell any products. The Registrant does not accept or receive commissions or referral fees. This allows the Registrant to remain totally objective in serving its clients, and to avoid the conflict of interest often caused by the sale of commission products.

If a client determines to engage the Registrant to provide combined financial planning and related consulting services and discretionary investment advisory services, the Registrant charges an annual fixed fee. The annual fixed fee is negotiable.

The Registrant generally requires an annual minimum fee of \$10,000 for financial planning and investment advisory services. The Registrant, in its sole discretion, may charge a lesser financial planning and investment management fee and/or waive or reduce its minimum fee requirement based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

**For clients who have completed their first year**, there are two components to the fee – a financial planning fee and an investment advisory fee. The financial planning fee is typically \$2,000 per year, and the investment advisory fee is .8% times the total for investment assets\*. If converted into a decimal, the \$2,000 annual financial planning fee is .2% of \$1,000,000 of investment assets.

The combined fee equates to 1% if the investment assets total \$1,000,000. The combined fee is greater than 1% for investment assets less than \$1,000,000, and is less than 1% for investment assets greater than \$1,000,000.

### **Ongoing Financial Planning Fee**

Typically \$2,000 per year.

Ongoing comprehensive financial planning fee *may* be greater than \$2,000 per year for services such as monitoring of individual stocks, stock options, rental real estate, small business retirement plans, business consulting, etc.

### **Ongoing Investment Advisory Fee**

(based on total investment assets\* X % below)

.80% — \$1 – \$5,000,000  
.70% — \$5,000,001 – \$10,000,000  
.60% — \$10,000,001+

**For new clients**, there is an additional fee that is charged only during the first year. It is in addition to the above ongoing fees. It is typically \$4,000, although it *may* be higher depending on the complexity of the financial planning work that must be completed during the first year. This fee is designed to cover the initial financial plan prepared during the first year, plus all of the processing that is usually required in consolidating accounts, transferring accounts, etc.

\*Investment assets include all investment accounts; retirement accounts; bonds and CDs; annuities; 50% of vested stock options; pensions taken as a lump sum; minor children's assets, and inheritances or payouts expected within five months.

Investment assets **do not** include the primary residence; checking and savings accounts, personal property (cars, boats, art collections, jewelry, antiques); real estate; 50% of vested stock options; 100% of non-vested stock options; pensions not taken as a lump sum, and the cash value of life insurance policies.

Further details on the fees charged by Registrant are available in the *Financial Planning and Investment Advisor Agreement*.

No portion of the Registrant's financial planning and investment advisory fee shall be based on capital gains or capital appreciation of the assets, except as provided for under the Investment Advisers Act of 1940.

The Registrant, on occasion, in its sole discretion, may determine to provide "stand-alone" consulting services (i.e. Project or Financial Review) on an hourly or fixed fee basis. These stand-alone services do not include investment management. The Registrant also provides *pro bono* services on occasion.

## **Payment of Annual Fee:**

### **New Clients:**

Forty percent (40%) of the first year annual fee is due upon commencement of services, with thirty percent (30%) due at the end of four months and the final thirty percent (30%) due at the end of eight months. After the new client completes twelve months, fees are due on a quarterly basis until the end of the calendar year.

### **Renewal Clients:**

Twenty five percent (25%) of the annual fee is payable at the beginning of each quarter for renewal clients. However, in the alternative, should a renewal client desire to pay the entire annual fee in advance, the Registrant *shall* apply a five percent (5%) discount against its annual fee. The Registrant **does not** require that any client pay their annual fee in advance. Instead, the Registrant offers the 5% discount because the administrative time saved is significant. Clients often elect to take the 5% discount because they value the discount as compared to current money market rates.

In renewal years (after the client is on a calendar year basis), the fee for the following year will be sent to each client in early December.

No increase in the annual fee shall be effective without prior written notification to the client.

- B. The Registrant lets the client choose between having the fee debited from their Schwab account or paying with a check or a credit card. Renewal clients are sent a statement in early December with their fee for the following year. Clients may elect to pay their fee quarterly or annually, as a deduction from their Schwab account or with a check or credit card.
- C. Unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's financial planning and investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. The Registrant bills clients directly for its financial planning and investment advisory fees, in accordance with the billing schedule set forth in Item 5A above.

The *Financial Planning and Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Financial Planning and Investment Advisory Agreement*. Upon termination, the Registrant shall refund

the pro-rated portion of the advanced financial planning and investment advisory fee paid based upon the number of days remaining in the billing cycle.

- E. Neither the Registrant, nor any supervised person of the Registrant, accepts compensation from the sale of securities or other investment products.

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

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

## **Item 7 Types of Clients**

The Registrant's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations.

The Registrant does not have any requirements for opening or maintaining an investment account.

The Registrant generally requires an annual minimum fee of \$10,000 for financial planning and investment advisory services. The Registrant, in its sole discretion, may charge a lesser financial planning and investment management fee and/or waive or reduce its minimum fee requirement based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. The Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

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

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)



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

**Investment Strategy.** The basis for the investment recommendations from the Registrant is the Nobel Prize winning investment strategy called Modern Portfolio Theory. The basic premise of the theory is that a diversified portfolio should significantly reduce the risk in a portfolio. The asset categories typically recommended include equity mutual funds focused on large-cap, mid-cap, small-cap, and international companies; a mix between growth and value funds; bond mutual funds and individual bonds; CDs and money market accounts. Other asset classes such as real estate and commodities, and investments in sectors such as (but not limited to) emerging markets, energy, natural resources, and health care may also be recommended. Individual stocks may be recommended.

The Registrant believes that although it cannot in any way control the future of the investment markets, it can control the costs within the clients' portfolios. Keeping annual expense ratios low (through the use of carefully selected mutual funds), combined with recommending only no-load funds, can have a significant and positive impact on the long-term growth of the clients' portfolios.

Registrant does not invest on margin.

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

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

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

- C. The Registrant primarily allocates client investment assets among various mutual funds and individual securities (equities and fixed income), on a discretionary basis in accordance with the client's designated investment objective(s).

## Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

## Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant does not have any relationship or arrangement that is material to its financial planning and investment advisory business or to its clients with any related person.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.
- B. The Registrant, or any related person of Registrant, does not recommend, buy, or sell securities for client accounts in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant **may** buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

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

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

## **Item 12 Brokerage Practices**

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

Factors that the Registrant considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not

necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

## **1. Research and Additional Benefits**

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

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

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

**The Registrant's Chief Compliance Officer, Donna Skeels Cygan, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other

broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

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

**The Registrant's Chief Compliance Officer, Donna Skeels Cygan, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

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

### **Item 13 Review of Accounts**

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

may also provide a written periodic report summarizing account activity and performance.

#### **Item 14 Client Referrals and Other Compensation**

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

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

**The Registrant's Chief Compliance Officer, Donna Skeels Cygan, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. The Registrant does not compensate, directly or indirectly, any person for client referrals.

#### **Item 15 Custody**

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

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

#### **Item 16 Investment Discretion**

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

otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

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

#### **Item 17 Voting Client Securities**

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

#### **Item 18 Financial Information**

- A. The Registrant does not solicit fees of more than \$500 per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has never been the subject of a bankruptcy petition.

#### **Item 19 Requirements for State-Registered Advisors**

- A. Donna Skeels Cygan is the Registrant's Managing Member. More information about Donna Skeels Cygan can be found in her Part 2B Brochure Supplement.
- B. The Registrant is not actively engaged in any other business activity besides providing investment advisory services.
- C. As disclosed in Item 6 above, neither the Registrant nor its supervised persons, receive compensation for services on a performance basis.
- D. Neither the Registrant nor any management person have any reportable disciplinary information.

- E. Neither the Registrant, nor its representatives, have any relationship or arrangement with any issuer of securities.

**The Registrant's Chief Compliance Officer, Donna Skeels Cygan, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**