

## **Item 1 – Cover Page**

**Campbell Wealth Management, Inc.**  
700 South Washington Street, Suite 220  
Alexandria, Virginia 22314  
(703) 535-5300  
[www.campbellwealth.com](http://www.campbellwealth.com)

Date of Brochure: October 2012

---

This brochure provides information about the qualifications and business practices of Campbell Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (703) 535-5300. 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 Campbell Wealth Management, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view information on this website by searching for Campbell Wealth Management, Inc.'s name or by using the firm's CRD number: 152956

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

The following material changes have occurred since we filed our annual amendment in March 2012:

- In October 2012, we began offering traditional asset management services using Charles Schwab & Co., Inc. as custodian. Full details are provided in **Item 5 – Fees & Compensation**.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	5
Ownership .....	5
General Description of Primary Advisory Services .....	5
Financial Planning Services .....	5
Pension Consulting Services .....	5
Asset Management Services .....	5
Referrals to Third Party Money Managers .....	5
Limits Advice to Certain Types of Investments .....	6
Tailor Advisor Services to Individual Needs of Clients .....	6
Wrap-Fee Program versus Portfolio Management Program .....	6
Client Assets Managed by Advisor .....	6
Item 5 – Fees and Compensation .....	7
Financial Planning Services .....	7
Plans .....	7
Retainer Services .....	8
Consultations .....	8
Workshops and Seminars .....	9
Newsletters and Publications .....	9
Pension Consulting Services .....	9
Asset Management Services .....	12
Campbell Asset Management Program .....	12
Schwab Advisor Services .....	14
Third Party Money Managers .....	15
Optimum Market Portfolios .....	16
Model Wealth Portfolios .....	18
Manager Select Program .....	19
Additional Compensation .....	21
Comparable Services .....	22
Item 6 – Performance-Based Fees and Side-By-Side Management .....	22
Item 7 – Types of Clients .....	22
Minimum Investment Amounts Required .....	22
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	22
Methods of Analysis .....	22
Fundamental .....	23
Technical .....	23
Investment Strategies .....	23
Risk of Loss .....	24
Primarily Recommend One Type of Security .....	25
Item 9 – Disciplinary Information .....	25
Item 10 – Other Financial Industry Activities and Affiliations .....	25
Securities Sales .....	26
Insurance Sales .....	26

Third-Party Money Managers.....	26
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	26
Code of Ethics Summary .....	26
Participation in Client Transactions and Personal Trading .....	27
Item 12 – Brokerage Practices.....	27
LPL Financial Corporation Brokerage Services .....	27
Campbell Asset Management Program .....	28
Soft Dollar.....	30
Handling of Trade Errors.....	30
Block Trades .....	31
Item 13 – Review of Accounts.....	31
Account Reviews.....	31
Account Reports.....	31
Item 14 – Client Referrals and Other Compensation .....	31
Item 15 – Custody .....	32
Item 16 – Investment Discretion .....	32
Item 17 – Voting Client Securities .....	33
Item 18 – Financial Information.....	33
Customer Privacy Policy .....	33

## **Item 4 – Advisory Business**

### **Ownership**

Campbell Wealth Management, Inc. (“Advisor” or “we”) is an investment advisor registered with the Securities and Exchange Commission since February 2010. We are a Virginia corporation and our sole owner is Kelly P. Campbell.

### **General Description of Primary Advisory Services**

We offer personalized investment advisory services including financial planning, pension consulting, asset management and referrals to third party money managers. The following are brief descriptions of our primary services. A detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

#### ***Financial Planning Services***

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer advisory services in the form of financial plans. These services do not involve actively managing your accounts. Instead, comprehensive planning services focus on your overall financial situation. Modular planning services focus on specific areas of concern to you.

We also offer consultations on any topic of interest to you and these consultations can last for a single meeting or involve several meetings. Retainer services are available for a one-year period that can include investment matters, financial planning reviews and updates, business planning or other topics of interest to you.

#### ***Pension Consulting Services***

We offer pension consulting services to benefit plan sponsors and to individual participants in benefit plans.

#### ***Asset Management Services***

We offer asset management services providing you with continuous and on-going supervision over your accounts. This means that we continuously monitor your account and make trades in that account when necessary.

#### ***Referrals to Third Party Money Managers***

We offer advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades client accounts when necessary.

### **Limits Advice to Certain Types of Investments**

We provide advice onto the following types of investments:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues
- Warrants
- Corporate debt securities (other than commercial debt)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Option contracts on securities and commodities
- Interests in real estate partnerships investing in real estate and oil and gas interests

Although our advice is generally limited to the investment products listed above, we reserve the right to advise clients on any investment product that may fit their specific needs, desires or objectives.

Please refer to **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

### **Tailor Advisor Services to Individual Needs of Clients**

Our services are always provided based on your specific needs. You have the ability to impose restrictions on your accounts, including specific investment selections and sectors. However, we will not enter into an investment advisor relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Wrap-Fee Program versus Portfolio Management Program**

We offer services through both traditional and wrap-fee management programs. In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services (including portfolio management or advice regarding selecting other investment advisors) and transaction services are provided for one fee. The Campbell Asset Management Program (described in **Item 5, Fees and Compensation**) is a wrap-fee program. Whenever a fee is charged to a client for services described in this Disclosure Brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

From a management perspective, there is not a fundamental difference in the way we manage traditional management accounts versus wrap-fee management accounts. The only significant difference is the way in which transaction expenses are paid.

### **Client Assets Managed by Advisor**

The amount of clients assets managed by us totaled \$106,175,268 as of December 31, 2011. All of the assets were managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provide in **Item 4, Advisory Business**, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

Advisor believes that its fees are reasonable in relation to services provided and the fees charged by other investment advisers offering similar services/programs. However, our fees may be higher than that charged by other investment advisers offering similar services/programs.

### **Financial Planning Services**

#### ***Plans***

We offer financial planning services in the form of written or oral financial plans that can be either full or segmented (modular). These plans can include, but are not limited to, the areas of personal planning (family records, budgets, personal liability, etc.), cash flow and cash management planning, business planning, estate planning, education planning, tax planning, risk management, insurance analysis, investment analysis and benefit plan analysis.

To begin the financial planning process, our investment advisor representatives ("representatives") meet with you to determine the scope of the engagement and the proposed fee schedule. There is no charge for this initial meeting. If you elect to proceed with the engagement, a client agreement is usually signed at the second meeting. At either the first or second meeting, our representatives begin gathering the information and documents needed to assess your current financial situation and planning considerations and to begin preparing the requested plan. We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate.

We are not responsible for verifying the information supplied by you. Our services do not include legal or tax advice. You are also urged to work closely with you attorney, accountant or other professionals regarding you financial and personal situation. When providing financial planning services, we may consult with attorneys, accountants or other outside professional consultants. Fees for these outside professional consultants' services may be incorporated into the fees charged by us for our advisory services. In no event are the services of an outside professional consultant engaged without your express approval.

We present a completed plan to you within 1-2 weeks of the required information being received. Our representatives hold a third meeting with you to present the drafted plan and discuss the items, including any change needed in scope or scenarios of the plan. A fourth meeting is held to go over the final plan and begin implementing it. There may be additional meetings as determined by you and our representatives.

Fees for financial plans can be charged on either a fixed or hourly basis as determined jointly by you and our representatives. Hourly fees do not exceed \$350 per hour and fixed fees range from \$1,500 to \$5,000. Both hourly and fixed fees are negotiable based upon the actual services requested, the complexity of your situation and the representative providing the services. If fees are charged on an hourly basis, our representative provides you with an estimate of the hours needed to complete the requested plan. If more time is needed to complete the plan than the original estimate, our representative requests your permission prior to proceeding with any additional work. You are charged for the actual time expended on the plan. Both hourly and fixed fees are due upon presentation of the plan to you and we provide you with a detailed billing statement.

Financial planning services terminate upon presentation of the plan to you. However, either of us can terminate services at any time by providing written notice to the other party. Termination is effective immediately upon receiving the notice. If services are terminated within five business days of signing the

client agreement, services are terminated without penalty. You are responsible for the time expended to the date of termination and we provide you with a billing statement detailing the prorated charge due.

### ***Retainer Services***

You may also contract with us to receive retainer services for a one year period. During this time, you may meet with our representatives at any time regarding investment matters, financial planning (including review and update of a previously prepared plan), business planning or any other topic of interest or concern to you.

Fees for these retainer services are billed on a fixed fee basis with a minimum charge of \$1,500 and a maximum charge that will not exceed \$50,000 per year. Fees are negotiable based upon the requested and anticipated services to be provided by us. Fees are billed in advance on a quarterly basis and you have the option to have fees automatically deducted from an existing account, to be paid by your credit card or to be paid directly to us. If you elect to have the fee automatically deducted from an existing account or paid via credit card, you are required to provide the account custodian with written authorization to deduct the fees from the account and pay them to us. At no time do we or our representatives act as custodian for your account or have direct access to your funds or securities. Whether paid directly, deducted from an account or paid by credit card, we provide you and the custodian with a fee notification statement.

Retainer services are automatically renewed on the one-year anniversary date of the original client agreement being signed. At renewal, we may revise the fees charged for the next year due to the complexity of your situation, due to the actual time spent providing services during the previous year or due to the increased time anticipated to be needed in the coming year. In this case, a new client agreement is required.

Either of us can terminate retainer services at any time by providing written notice to the other party. Termination is effective immediately upon receiving the notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. You are responsible for the time expended to the date of termination and we provide you with a billing statement detailing the prorated refund due.

### ***Consultations***

You may also contract with us for consultations on any topic(s) of interest to you. Together you and our representatives determine whether consultations require more than one meeting, but you have the final determination as to the actual length of the consultation services. Fees for consultations can be charged on either an hourly or fixed fee basis. Hourly fees do not exceed \$350 per hour and are negotiable based upon the actual services requested, the complexity of your situation and the representative providing the consultations. Our representatives provide an estimate of the time needed to complete the requested consultations. If more time is needed than the original estimate, you must give permission before we proceed with additional consultations. Fixed fees are calculated by multiplying the agreed upon hourly rate times the estimated number of hours needed to complete the consultations. If additional time is needed, you must give permission before proceeding with additional consultations. Fees are payable upon completion of the consultations, and we provide a detailed billing statement to you.

Consultation services terminate upon completion of the consultations. However, either of us can terminate services at any time by providing written or oral notice to the other party. Termination is effective immediately upon receiving the notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. You are responsible for the time expended to the date of termination and we provide you with a billing statement detailing the prorated charge due.



## ***Workshops and Seminars***

We offer educational, informational and motivational workshops to the public, as well as associations, family foundations and employers. Workshops are always offered on an impersonal basis and do not focus on the individual needs of participants. We may either provide the workshops for free or charge a fee. If a fee is charged to the workshop sponsor, it does not exceed \$25,000 and depends upon the workshop topic(s), length, materials provided and anticipated participants. If participants are charged a fee, it is nominal and is used solely to help reimburse workshop expenses. If a fee is charged, we provide payment terms and cancellation procedures to sponsors and anticipated participants.

Campbell Wealth Management also offers educational seminars to the public. These programs are designed to educate and inform smaller groups about a specific topic, without providing specific investment advice. Participants may be charged a nominal fee to cover the cost of seminar materials. If a fee is charged, we provide payment terms and cancellation procedures to anticipated participants. When advanced payment is requested, cancellation and refund terms will be provided in the confirmation materials.

## ***Newsletters and Publications***

We provide weekly market commentaries to clients that are general and informational in nature. Prospective clients can also receive these commentaries by requesting to be added to the subscription list. There is no charge for these market commentaries.

Our President, Kelly Campbell, has published a book entitled ***Fire Your Broker***. The book is available for purchase through the Internet at [www.fireyourbroker.com](http://www.fireyourbroker.com) and on [www.Amazon.com](http://www.Amazon.com), and Mr. Campbell is compensated through these sales. The book may also be provided to our clients free of charge and be given as a prize at workshops.

Mr. Campbell may also write educational white papers on industry topics, which will be available through both print and electronic media. A nominal fee for these may be charged.

## **Pension Consulting Services**

Advisor offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following:

### **Fiduciary Consulting Services**

- **Investment Policy Statement Preparation.** Advisor helps you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the plan. You have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- **Non-Discretionary Investment Advice.** Advisor provides you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your plan's investment policy statement.
- **Investment Selection Services.** Advisor provides you with recommendations of investment options consistent with ERISA Section 404(c).
- **Investment Due Diligence Review.** Advisor provides you with periodic due diligence reviews of the plan's reports, investment options and recommendations.
- **Investment Monitoring.** Advisor assists in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement. Advisor makes recommendations to maintain or remove and replace investment options.

- Default Investment Alternative Advice. Advisor provides you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the plan or who otherwise fail to make an investment election. You retain sole responsibility to provide all notices to participants required under ERISA Section 404(c)(5).
- Individualized Participant Advice. Upon request, Advisor provides one-on-one advice to plan participants regarding their individual situations.

For fiduciary consulting services, all recommendations of investment options and portfolios are submitted to you for your ultimate approval or rejection. For retirement plan fiduciary consulting services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary consulting services are not management services, and Advisor does not serve as administrator or trustee of the plan. Advisor does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

Advisor acknowledges that in performing the fiduciary consulting services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of the *Employee Retirement Income Security Act of 1974* ("ERISA") for purposes of providing non-discretionary investment advice only. Advisor will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause Advisor to be a fiduciary as a matter of law. However, in providing the fiduciary consulting services, Advisor (a) has no responsibility and does not (i) exercise any discretionary authority or discretionary control respecting management of client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of client's retirement plan or (iii) have any discretionary authority or discretionary responsibility in the administration of client's retirement plan or the interpretation of client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets and (c) is not the "Administrator" of client's retirement plan as defined in ERISA.

#### Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the *Investment Advisers Act of 1940* and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact services provided to a client are listed and detailed in the client agreement.

- Participant Education. Advisor provides education services to plan participants about general investment principles and the investment alternatives available under the plan. Advisor's assistance in participant investment education is consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations do not take into account the individual circumstances of each participant and individual recommendations are not provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. Advisor assists you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. Advisor assists you with establishing a qualified plan by working with you and a selected third party administrator. If you have not already selected a third party administrator, we assist you with reviewing and selecting a third party administrator for the plan.
- Due Diligence Review. Advisor provides you with periodic due diligence reviews of your plan's fees and expenses and your plan's service providers.

- Fiduciary File Set-up. Advisor helps you establish a “fiduciary file” for the plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. Advisor provides you benchmarking services and provides analysis concerning the operations of the plan.

We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client’s circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients’ responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, we cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

Advisor will disclose to you, to the extent required by ERISA Regulation Section 2550.408b-2(c), any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclose as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or plan administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the client agreement and any compensation or fees received in connection with the Agreement that is required for the plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose the correct information to you as soon as practicable, but no later than thirty (30) days from the date on which we learns of such error or omission.

For benefit plan sponsors, a yearly fee of 0.15% to 1.5% of the plan assets is charged. This fee is negotiable based upon the size of the plan assets and the actual services requested to be provided, such as whether or not ongoing monitoring is required and the number of employee education meetings requested.

For individual participants, we charge either a flat rate or a percentage of the participant’s account value. If charged as a flat rate, the fee ranges from \$250 to \$1,500 per year. The percentage fee ranges from 0.15% to 1.5% per year. Both flat and percentage fees are negotiable based upon the actual services requested and the complexity of the participant’s situation.

For both benefit plan sponsors and participants, fees are billed quarterly in advance. Percentage fee charges are calculated as of the plan or account value on the last day of the previous quarter. Fees are prorated and billed in arrears for any plan or account created mid-quarter with the following quarter billed in advance. Benefit plan sponsors may also elect to pay all or a portion of fees for the individualized services provided by us to the plan participants.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of a billing notice from us. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay them to us. We provide the custodian with a fee notification statement.

Pension consulting services are for a one year period. However, services can be terminated by either party by providing written notice to the other and termination is effective 30 days from the date notice is received. During that 30 day period, our representatives finish up any activities they are working on but do not begin any new services without express instruction from the client. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

Pension consulting services are not management services, and neither we nor our representatives serve as administrator or trustee of the plan itself. Nor do we or our representatives act as custodian for any client account or have access to client funds or securities. In addition, neither we nor our representatives implement any transactions in a benefit plan or participant's account if the clients elect to implement any recommendations made by us or our representatives. Clients are solely responsible for implementing all transactions.

Advisor does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Asset Management Services**

#### ***Campbell Asset Management Program***

We are the sponsor of the Campbell Asset Management Program ("CAM Program"), a wrap fee program developed through an arrangement using LPL Financial Corporation's ("LPL") Strategic Wealth Management platform. Through the CAM Program, we provide investment management services, including providing continuous investment advice to and making investments for you based on your individual needs. Through this service, we offer a customized and individualized investment program. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. The IPS defines your risk tolerance and investment objective. Your information should be updated regularly, but at a minimum every 2 years.

CAM Program accounts are custodied at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for you through the CAM Program. LPL provides clearing, custody and other brokerage services for accounts established through the CAM Program. Therefore, you are required to establish a brokerage account(s) through LPL's Strategic Wealth Management platform. Separate accounts are maintained for you, and you retain all rights of ownership of you accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

CAM Program accounts allow you to authorize us to purchase and sell, on either a discretionary basis or non-discretionary basis, portfolios consisting of securities and investments. We may limit our discretion with respect to your account and the securities eligible to be purchased for your account. See, **Limits**

**Advice to Certain Types of Investments** under **Item 4 - Advisory Business**, relative to possible securities and investments utilized. See **Item 16 - Investment Discretion**, for information concerning discretionary authority.

During any month that there is activity in the CAM Program account, you receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs within the CAM Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL.

The annual investment advisory fee charged will vary between 0.50% - 2.5% of the assets held in the account and is negotiable depending on the market value of the account, asset types, complexity of your portfolio, your financial situation and trading activity. The annual fee is divided and paid quarterly in advance through a direct debit to your account. LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to us. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter.

Prior to engaging us to provide investment management services, you are required to enter into a formal investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we manage your assets and a also separate custodial/clearing agreement with LPL.

You can open a CAM Program I or CAM Program II account. A CAM Program I account is a non-wrap or traditional account. This means in addition to our investment advisory fee, you also certain pay transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. The CAM Program II account is a wrap fee account, meaning you do not pay transaction charges associated with trade execution. The minimum account size to open any CAM Program account is \$50,000, although exceptions may be granted upon request. Factors considered when granting an exception include the total value of the overall engagement, the types of assets in the account and the time and resources expended on the services.

You may incur certain charges imposed by third parties other than us in connection with investments made through the account including, but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. The management fees charged by us (which include transaction and execution fees charged by LPL for CAM Program I accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. Our representatives, in their separate capacity as registered representatives of LPL, may retain a portion of the commissions charged to you. These commissions may include 12b-1 fees, surrender charges and IRA and qualified retirement plan fees.

The CAM Program I and CAM Program II may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a CAM Program I or CAM Program II account.

We do not always charge a lower advisory fee for CAM Program I accounts versus CAM Program II accounts. The cost for a CAM II Program account is approximately 10 basis points (0.1%) higher than a CAM I Program. This is because transaction costs are passed along to you in CAM Program I accounts while the transaction costs are covered under the overall fee charged for CAM Program II accounts.

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services are terminated without penalty and a full refund of all fees paid in advance is provided. If services are terminated after the initial five day period, we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is actually provided during the final billing period. Termination is effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There is no penalty charge on termination.

This section is intended to be a summary of the CAM Program. If you contract for CAM Program services you are provided with a copy of the CAM Program Form ADV Part 2A Appendix disclosure brochure.

### ***Schwab Advisor Services***

We also offer asset management services using Charles Schwab & Co., Inc. ("Schwab"), member FINRA and SIPC, as the qualified account custodian. Neither we nor our representatives act as custodian and we do not have access to your funds and securities except to have advisory fees deducted from your account by the custodian with your prior written authorization and then paid to us. You retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the account. See **Item 12, Brokerage Practices**, for additional discussion on our use of Schwab.

We assist you in establishing a managed account through Schwab. The account consists only of separate account(s) held by the qualified custodian under your name. The minimum account size to open any Schwab account is \$50,000, although exceptions may be granted upon request. Factors considered when granting an exception include the total value of the overall engagement, the types of assets in the account and the time and resources expended on the services.

We need to obtain certain information from you to determine your financial situation and investment objectives. You are responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions. However we contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your account. You have the ability to impose reasonable restrictions on management of your accounts, including the ability to instruct us not to purchase certain securities.

You should understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in allocating investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

You must appoint our firm as your investment adviser of record on your specified account and grant us trading authorization. We provide management services for Schwab accounts on either a discretionary or non-discretionary basis. When managing on a discretionary basis, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before making any transactions. When managing on a non-discretionary basis, we

always consult with you prior to any transactions being made. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

Fees for our services are charged based on a percentage of assets under management. The annual investment advisory fee charged generally ranges from 0.50% to 2.5% of the assets and is negotiable depending on the market value of the account, asset types, complexity of your portfolio and your financial situation. Fees are billed quarterly in arrears and based on the fair market value of your account as of the last business day of the prior quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter.

Fees are deducted from your account and you must authorize Schwab to deduct fees from your account and pay those fees directly to Advisor. You will receive an account statement at least quarterly from Schwab and you should review those statements and verify that appropriate advisory fees are being deducted. The qualified custodian does not verify the accuracy of the advisory fees deducted.

Schwab generally does not charge separately for maintaining custody of your accounts, although it may charge brokerage commissions and/or transaction fees directly to you. We do not receive any portion of the commission or fees from either the custodian or from you. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through your account, including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Our management fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each security prospectus.

Additions can be in cash or securities provided that we reserve the right to liquidate any transferred securities, or decline to accept particular securities into your account. We consult with you about the options and ramifications of transferring securities. However, when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and may have tax ramifications.

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services are terminated without penalty and a full refund of all fees paid in advance is provided. If services are terminated after the initial five day period, we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is actually provided during the final billing period. Termination is effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There is no penalty charge on termination.

### **Third Party Money Managers**

We act as a solicitor and may refer you to unaffiliated third party investment advisors offering asset management and other investment advisory services. We perform due diligence in selecting the third party money managers recommended. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Through this service, we assist you to identify your risk tolerance and investment objectives and then recommend money managers relative to those objectives and tolerances. You select a recommended third party investment advisor based on your needs and enter into an agreement directly with the selected advisor, who provides the asset management services. Our representatives are available to answer questions regarding your account. Our representatives also act as the communication conduit between you and the third-party investment advisors.

Third party managed programs generally have account minimum requirements and these minimum requirements vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the third party investment advisor's services, fee schedules and account minimums are disclosed in the third party investment advisor's Disclosure Brochure that is provided to you at the time an agreement for services is executed and an account established. The type and frequency of reports provided to you also depends on the third party investment advisor selected.

Third-party investment advisors may take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any discretionary authority and are not responsible for selecting investments or implementing trades in your accounts. However, in some instances, we are considered a sub-advisor because we are responsible for the initial and on-going suitability review and are also responsible for maintaining your current information.

When referring clients to third party money managers, we are paid a portion of the fee charged and collected by the third party investment advisor in the form of solicitor fees or consulting fees. You do not directly pay us for this referral service and our solicitor/referral fee does not appear as a direct cost to you. However, the third party money manager takes our solicitor/referral fee into consideration when determining the total fee charged to you. The third party money manager also considers other factors when determining the fee, such as the amount of assets under management and the number of client accounts.

While we review the performance of numerous third-party investment advisor firms, we have entered into a relationship LPL and will only recommend the programs described below. Any third party investment advisors recommended by us must be registered or exempt from registration in the state where you reside. You are advised that our representatives may have a conflict of interest by only offering those third party investment advisors that have agreed to pay a portion of their advisory fee to us. You are advised that there may be other third party managed programs that may be suitable to you and that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

### ***Optimum Market Portfolios***

We have entered into an arrangement with LPL to provide services through the Optimum Market Portfolios Program ("OMP"), a wrap-fee program sponsored by LPL. If you contract for this service you must establish a brokerage account through LPL which serves as the broker/dealer and qualified custodian. OMP offers clients the ability to participate in a professionally managed asset allocation program using OMP Funds Class I shares.

We obtain your necessary financial data and assist you in determining the suitability of OMP and in setting an appropriate investment objective. We assist you with opening an account and determining an investment portfolio. Once the program minimum has been reached and a portfolio selected, LPL purchases OMP funds in amounts appropriate for the portfolio selected. LPL is responsible for rebalancing the account on the frequency selected jointly by you and us. There are several OMP funds that may be purchased within an OMP account. LPL follows a strategic asset allocation investment style in constructing portfolios for OMP clients. Asset allocation methodology is implemented by combining investments representing various asset classes that reflect differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. However, there is no guarantee that the use of an asset allocation strategy will produce favorable results. We are responsible for providing you with information about the investment strategy and the portfolios selected for you.

You receive quarterly account statements (monthly when activity occurs in the account), confirmations and performance reports directly from LPL.



LPL requires a minimum investment amount of \$15,000 to establish an OMP account. The maximum annual fee charged through the program is 2.5% of the total value of assets held in your account(s). Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. The annual fees are divided and paid quarterly in advance through a direct debit in your account. LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL written authorization to debit advisory fees from your account(s) and pay those fees to us. The account quarter begins on the first day of the month in which the account is accepted. Annual fees are divided and billed quarterly in advance by LPL. If you participate in OMP, you must execute the OMP Market Portfolios Client Agreement. There may be other fees and expenses related to the management of OMP accounts. Full details of all fees are provided in the OMP Form ADV Part 2 Appendix, a copy of which is provided to all clients participating in OMP.

We receive 85% to 97.5% of the total fee charged to you, as shown by the following schedule:

<u>Your Account Assets</u>	<u>Our Fee</u>
Under \$500,000	1.5%
\$500,000 to \$2,000,000	1.4%
\$2,000,000 to \$5,000,000	1.0%
Over \$5,000,000	0.8%

The fee charged may be negotiable based on the how the assets are invested. Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. We may also receive other compensation for participating in OMP such as bonuses, awards, or other things of value offered by LPL. The amount of this compensation may be more or less than if you had participated in our other advisory programs or if you paid separately for investment advice, brokerage and other client services. Therefore, we may have an incentive to recommend OMP over other programs.

You may also incur certain charges imposed by LPL or third parties other than us in connection with investments made through OMP accounts, including among others, the following types of charges: mutual fund management fees and administrative servicing fees, omnibus processing fees, sub-transfer agent fees, networking fees, other transaction charges and service fees, IRA and Qualified Retirement Plan fees, administrative servicing fees for trust accounts, and other charges required by law. LPL may receive a certain portion of these third party fees. Further information regarding charges and fees assessed by the OMP Funds are available in the appropriate prospectus.

LPL serves as a sub-services agent with respect to OMP accounts. As such, LPL provides all sub-accounting and shareholder recordkeeping with respect to OMP Fund shares and provides certain administrative services. LPL receives administrative servicing fees from the service agent of the OMP Funds. Further, LPL provides investment consulting services to us regarding the OMP Funds. These services include assistance in selecting sub-advisors to the OMP Funds, providing quarterly fact sheets about the OMP Funds, meeting with sub-advisors of the OMP Funds to discuss performance, and assisting the investment advisor of the OMP Funds for making recommendations on sub-advisors to the Board of Trustees. LPL receives an investment consulting compensation from the investment advisor to the OMP Funds.

You can terminate an OMP account by providing written notice to LPL. Upon termination, you are entitled to a prorated refund of any pre-paid quarterly fees based on the number of days remaining in the quarter after termination. If you close the account within the first six months as a result of withdrawals bringing the account value below the required minimum, we and LPL reserve the right to retain the pre-paid quarterly fees for the current quarter in order to cover the administrative cost of establishing an OMP account. These fees may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling positions in order to issue quarterly performance reports and the cost of re-registering positions.

This section is intended as a summary of OMP. If you contract for OMP services, you receive the OMP Form ADV Part 2A Appendix which provides detailed information regarding OMP.

### ***Model Wealth Portfolios***

We have entered into an arrangement with LPL to provide services through the Model Wealth Portfolios ("MWP") program, a wrap-fee program sponsored by LPL. If you contract for this service you must establish a brokerage account through LPL which serves as the broker/dealer and qualified custodian. MWP offers clients a professionally managed mutual fund asset allocation program in which LPL, in its capacity as an investment advisor, and we direct and manage specified client assets. A minimum account value of \$100,000 is required for MWP.

We obtain your necessary financial data and assist you in determining the suitability of MWP and in setting an appropriate investment objective. We assist you in opening an account and determining an investment portfolio designed by LPL's Research Department. LPL's Research Department is responsible for selecting the mutual funds within a portfolio and for making changes to the mutual funds selected. In certain cases a portfolio may consist only of mutual funds within the same fund family. In such a portfolio, LPL's Research Department will select only those mutual funds within the fund family.

You must grant us discretionary authority to select the portfolios suitable for you and must grant LPL discretionary authority to select investments held within portfolios and rebalance positions within the portfolios.

LPL follows a dynamic asset allocation investment style in constructing portfolios for MWP clients. Asset allocation methodology is implemented by combining investments representing various asset classes that respond differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. However, there is no guarantee that the use of an asset allocation strategy will produce favorable results. We are responsible for providing you with information about the investment strategy and the portfolios selected for you.

You receive quarterly account statements (monthly when activity occurs in the account), confirmations, and performance reports directly from LPL.

The maximum annual fee charged through the program is 2.5% of the total value of assets held in your account(s). Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. The annual fees are divided and paid quarterly in advance through a direct debit in your account(s). LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL written authorization to debit advisory fees from your accounts and pay those fees to us. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter. If you participate in MWP, you must execute the MWP Client Agreement.

We receive 55% to 85% of the fee charged to you. The portion we receive is based on the fees that LPL charges and they consider the amount of money in the program and the costs of trading and other internal expenses. Fees are not negotiable. We may also receive other compensation for participating in MWP such as bonuses, awards, or other things of value offered by LPL. The amount of this compensation may be more or less than if you had participated in our other advisory programs or if you paid separately for investment advice, brokerage and other client services. Therefore, we may have an incentive to recommend MWP over other programs.

You may also incur certain charges imposed by LPL or third parties other than us in connection with investments made through MWP accounts, including among others, the following types of charges: mutual fund management fees and administrative servicing fees, omnibus processing fees, sub-transfer agent fees, networking fees, other transaction charges and service fees, IRA and Qualified Retirement

Plan fees, administrative servicing fees for trust accounts, and other charges required by law. LPL and our representatives, in their capacity as LPL registered representatives, may receive a portion of these third party fees.

You may incur certain charges imposed by third parties other than us in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges. Our representatives, in their separate capacities as registered representatives of LPL, may retain 12b-1 fees paid. However, unless otherwise stated in the MWP client agreement, advisory fees charged in retirement accounts are reduced by 12b-1 fees paid to LPL and our representatives in their capacity as LPL registered representatives.

You can terminate an MWP account by providing written notice to LPL. Upon termination, you are entitled to a prorated refund of any pre-paid quarterly fees based upon the number of days remaining in the quarter after termination. If you close the account within the first six months as a result of withdrawals bringing the account value below the required minimum, both we and LPL reserve the right to retain the pre-paid quarterly fees for the current quarter in order to cover the administrative cost of establishing an MWP account. The fees may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling positions in order to issue quarterly performance reports and the cost of re-registering positions.

This section is intended as a summary of MWP. If you contracting for MWP services, you receive the MWP Form ADV Part 2A Appendix providing detailed information regarding MWP.

### ***Manager Select Program***

We have entered into an arrangement with LPL to provide services through the Manger Select Program ("Manager Select") sponsored by LPL. In Manager we assist client in identifying third-party investment advisors from a list of available advisors to assist you with respect to investment of your funds. At your request, LPL may also act as portfolio manager on Manager Select accounts. Portfolio managers may also hire one or more sub-advisors to manage all or part of your Manager Select account. LPL is responsible for conducting due diligence on third party investment advisors and approving third party investment advisors for inclusion in Manager Select. We conduct our own due diligence and approval process prior to recommending a third party investment advisor to you.

We assist you in completing a confidential client profile enabling you determine appropriate investment guidelines. The confidential client profile is used to determine investment guidelines, risk tolerance, and other factors which assist in ascertaining the suitability of the Manager Select account and appropriate third party investment advisors.

Through Manager Select, we act as a solicitor when recommending you use third-party investment advisors. As a result, we are paid a portion of the fee charged and collected by LPL as the sponsor of Manager Select.

We are available to answer questions you may have regarding your account and act as the communication conduit between you and the third-party investment advisors. Third-party investment advisors take discretionary authority to determine the securities to be purchased and sold for you. Neither we nor our representatives have any trading authority with respect to your Manager Select account. Unless you direct otherwise in writing, third party investment advisors are responsible for voting proxies solicited by, or with respect to, issuers held in an account.

You are required to execute a Manager Select client agreement and establish a brokerage account through LPL who provides you with quarterly account statements (provided monthly when activity occurs), confirmations and performance reports. Third party investment advisors seek to obtain the best execution possible given the direction to trade through LPL. In some cases, third party investment

advisors, in connection with their duty to seek to achieve best execution, may choose to execute transactions through a broker/dealer other than LPL.

In considering whether or not to restrict the execution of transactions through LPL, LPL evaluated its capacities to execute, clear and settle transactions. When securities transactions are effected through LPL, there are no brokerage commissions charged to the account. If the third party investment advisor chooses to execute a transaction through a broker/dealer other than LPL, the execution price may include a commission or fee imposed by the executing broker/dealer. In evaluating whether to execute a trade through a broker/dealer other than LPL, the third party investment advisor considers the fact that the account is not charged a commission if it is effected through LPL.

You should consider whether or not appointing LPL as the broker/dealer may or may not result in certain costs or disadvantages to you as a result of possibly less favorable executions. In particular, you should understand that your Manager Select account may not be able to participate in block trades affected by a third party investment advisor for its other accounts, which may result in a difference between prices charged to a Manager Select account and the third-party investment advisor's other accounts.

Transactions in fixed income securities may involve mark-up or mark-downs or other charges in addition to the advisory fee. LPL may act as a principal on fixed income trades in Manager Select accounts. In cases where LPL acts as a principal on fixed income trades, LPL may receive additional compensation to the extent it is able to sell fixed income securities for a price higher than what is paid. This may result in higher costs and lower performance than you would have otherwise received.

LPL may aggregate your transactions with other clients' to improve the quality of execution. When transactions are aggregated, the actual prices applicable to the aggregated transactions are averaged, and your account is deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

The minimum investment amount required to participate in Manager Select is \$100,000. However, some third-party investment advisors may have higher account minimum requirements. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the third-party investment advisor's services, fee schedules and account minimums is disclosed in the third party investment advisor's Form ADV Part 2A Appendix which is provided to you at the time a third-party investment advisor is selected.

The maximum annual fee charged through the program is 3% of the total value of assets held in your account(s). Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. The annual fees are divided and paid quarterly in advance through a direct debit in your account. LPL is responsible for calculating and debiting all fees from your account(s). You must provide LPL written authorization to debit advisory fees from your accounts and pay those fees to us. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter. If you participate in Manager Select, you must execute the Manager Select Client Agreement.

We receive 35% to 80% of the total fee charged to you. Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. We may also receive other compensation for participating in Manager Select such as bonuses, awards, or other things of value offered by LPL. The amount of this compensation may be more or less than if you had participated in our other advisory programs or if you paid separately for investment advice, brokerage and other client services. Therefore, we may have an incentive to recommend Manager Select over other programs.

Clients may also incur certain charges imposed by LPL or third parties other than us in connection with investments made through Manager Select accounts, including among others, the following types of charges: mutual fund management fees and administrative servicing fees, omnibus processing fees, sub-transfer agent fees, networking fees, other transaction charges and service fees, IRA and Qualified

Retirement Plan fees, administrative servicing fees for trust accounts, and other charges required by law. LPL and our representatives, in their capacity as LPL registered representatives, may receive a portion of certain of these third party fees.

Clients are advised that we may have a conflict of interest by only offering those third-party investment advisors that have agreed to participate in Manager Select. In addition, we may receive additional compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or advertising or marketing initiatives.

You are advised that there may be other third-party managed programs that may be suitable to you that may be more or less costly. No guarantees can be made that your financial goals or objectives are achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

You can terminate a Manager Select account by providing written notice to LPL. Upon termination, you are entitled to a prorated refund of any pre-paid quarterly fees based on the number of days remaining in the quarter after termination. If you close the account within the first six months as a result of withdrawals bringing the account value below the required minimum, both we and LPL reserve the right to retain the pre-paid quarterly fees for the current quarter in order to cover the administrative cost of establishing a Manager Select account. Those fees may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling positions in order to issue quarterly performance reports and the cost of re-registering positions.

### **Additional Compensation**

You have sole discretion about whether or not to contract for our services. In addition, you have sole discretion about whether or not to implement any recommendations made by our representatives. If you do decide to implement recommendations, you are responsible for taking any actions or implementing any transactions required. You are free to select any broker/dealer and/or insurance agent to implement our recommendations.

You should be aware that our representatives are also registered representatives of LPL. In this separate capacity, they can receive a commission for selling securities products. This is a potential conflict of interest. As a registered representative, they may sell mutual funds and receive 12(b)-1 fees in addition to commissions. The 12(b)-1 fees, named after a section of the *Investment Company Act of 1940*, are annual marketing or distribution fees and considered an operational or administrative expense. The fees are included as a part of the mutual fund's total expense ratio and paid from fund assets. Therefore, the fees come indirectly from your account. Every mutual fund prospectus includes a description of the fund's fees and expenses. Receiving 12(b)-1 fees represents an incentive for a registered representative to recommend funds with 12(b)-1 fees or with higher 12(b)-1 fees than funds with no fees or lower fees. This is also a potential conflict of interest. Our representatives will only recommend mutual funds to clients if those funds are suitable for you and appropriate to help fulfill your objectives.

In addition, our representatives are also independently licensed as insurance agents and sell insurance products to any client. The representatives can earn commissions when selling insurance products in this separate capacity. This is a potential conflict of interest, since any commissions earned could be in addition to advisory fees earned in their capacity as an investment advisor representative.

Please see **Item 10, Other Financial Activities and Affiliations**, and **Item 12, Brokerage Practices**, for additional discussion on these conflicts of interest.

Our President, Kelly Campbell, also receives compensation through sales of his published book, ***Fire Your Broker***.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. Both we and our representatives endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through expense reimbursements, etc. creates a conflict of interest that may impact the judgment of our representatives when making advisory recommendations.

### **Comparable Services**

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not receive performance-based fees.

## **Item 7 – Types of Clients**

We provide investment advice to the following types of clients:

- Individuals (including high-net worth individuals)
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

### **Minimum Investment Amounts Required**

The minimum account size to open any CAM Program or Schwab Program account is \$50,000, although exceptions may be granted upon request. Factors considered when granting an exception include the total value of the overall engagement, the types of assets in the account and the time and resources expended on the services.

There is a minimum investment of \$15,000 required to establish an OMP account. There is a \$100,000 minimum investment requirement to establish a MWP account and/or Managed Select account.

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

### **Methods of Analysis**

We use fundamental and technical analysis when considering investment strategies and recommendations for clients.

## ***Fundamental***

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

## ***Technical***

This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

There are risks involved in both of these methods. Fundamental analysis takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Technical analysis uses a shorter timeframe—often weeks or days. The price and volume data reviewed is released on a daily basis. Therefore, fundamental analysis could mean a gain is not realized until a security's market price rises to its “correct” value over the long run—perhaps several years.

As a general statement, technical analysis is used for a trade while fundamental analysis is used for an investment. It could also be said that traders buy assets they believe they can sell to someone else at a greater price while investors buy assets they believe will increase in value. The frequency of trading securities using technical analysis could have both a positive or negative impact and could also lead to increased brokerage and transaction costs, thus lowering performance. The less frequent trading practices of fundamental analysis could also have a positive or negative impact on a client's portfolio value, but likely has reduced brokerage and transaction costs.

## **Investment Strategies**

When implementing investment advice, our investment strategies include:

- Long term purchases (securities held at least a year.)
- Short term purchases (securities sold within a year.)
- Trading (securities sold within 30 days)
- Margin transactions (Investor pays for part of the purchase and borrows the rest from a brokerage firm; e.g., investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Advisor.)
- Option writing (Including covered options, uncovered options or spreading strategies.) (Note: options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.)

We gather information from financial newspapers and magazines, corporate rating services, timing services and annual reports, prospectus and other filings with the Securities and Exchange Commission.

### **Risk of Loss**

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- **Market Risk.** Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- **Equity (Stock) Market Risk.** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- **Company Risk.** There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- **Options Risk.** Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- **Fixed Income Risk.** Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **ETF and Mutual Fund Risk.** ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- **Management Risk.** Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you borrow part of the purchase price then you are engaging in margin transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, including:



- You can lose more funds than you deposit in your margin account
- The account custodian or clearing firm can force the sale of securities or other assets in your account
- The account custodian or clearing firm can sell your securities or other assets without contacting you
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call

### **Primarily Recommend One Type of Security**

We do not recommend any specific security to clients. Instead, we recommend any product that may be suitable for each client relative to their specific circumstances and needs.

### **Item 9 – Disciplinary Information**

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our brochure.

### **Item 10 – Other Financial Industry Activities and Affiliations**

We are not and do not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- Another investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- An insurance company or agency
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships

We are an independent registered investment advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment advisor representatives with us.

## **Securities Sales**

Our representatives are also registered representatives of LPL. You can engage them in this separate capacity to render securities brokerage services under a commission arrangement. Our representatives may have a financial incentive to recommend that a financial plan be implemented using a certain product or service. This is a conflict of interest because they could receive commissions in their capacity as a registered representative and could also receive advisory fees in their capacity as an investment advisor representative.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL. Prior to effecting any transactions, you are required to enter into a new account agreement with LPL. The commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

## **Insurance Sales**

Some of our representatives are also independently licensed to sell insurance products through various insurance companies. When acting in this capacity, they may receive fees or commissions for selling these products. You are under no obligation to direct insurance transactions to insurance companies with which our representatives may be licensed. Suitable insurance and investment products may be available from other companies.

## **Third-Party Money Managers**

As described in **Item 5, Fees and Compensation**, we have formed relationships with independent, third-party money managers.

We may recommend clients work directly with third-party money managers. When we refer clients to a third party money manager, we receive a portion of the fee charged by the third party money manager. Therefore, we have a conflict of interest because we only recommend third party money managers that agree to compensate us by paying us a portion of the fees billed to your account managed by the third party money manager.

# **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

## **Code of Ethics Summary**

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisors to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that applies to all of our associated persons. An investment advisor is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of our own or our supervised persons' investment

interests. We provide full disclosure of all material facts and potential conflicts of interest to you prior to any services being conducted. We and our supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give you a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy is provided promptly upon request.

Some of our representatives are also Certified Financial Planners<sup>™</sup>. In addition to abiding by our Code of Ethics, they also abide by the Code of Ethics and Responsibility of the Certified Financial Planner<sup>™</sup> Board of Standards, Inc. That Code requires CFP<sup>®</sup> designees to comply with all applicable laws and regulations and also to act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP<sup>®</sup> designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from one of our representatives.

### **Participation in Client Transactions and Personal Trading**

We or our associated persons may buy or sell investment products for our personal accounts that are identical to those recommended to you. This creates a potential conflict of interest. It is our express policy that all persons associated in any manner with us must place your interests ahead of our own when implementing personal investments. We and our associated persons will not buy or sell securities for our personal account(s) where our decision is derived, in whole or in part, by information obtained as a result of employment unless the information is also available to the investing public upon reasonable inquiry.

## **Item 12 – Brokerage Practices**

### **LPL Financial Corporation Brokerage Services**

If you wish to implement our advice you are free to select any broker you wish. If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL is used. Our representatives are registered representatives of LPL and are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

Because our representatives are also registered representatives of LPL, LPL provides compliance support to them. LPL also provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

### **Campbell Asset Management Program**

If you wish to implement our advice through the CAM Program described in this Disclosure Brochure, LPL will be used as the broker/dealer and/or custodian. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL, economic benefits may be provided to us by LPL that are not be provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations and year-end reports

### **Schwab Program**

Clients opening managed accounts in the Schwab Program must use Schwab as the qualified custodian for their accounts. Advisor is independently owned and operated and is not affiliated with Schwab. As the qualified custodian, Schwab holds client assets in a brokerage account and buys and sells securities when instructed to do so by Advisor. Even though a client's account is maintained at Schwab, we can still use other brokers to execute trades for your account.

Schwab generally does not charge clients separately for custody services but is compensated by charging clients commissions or other fees on trades that it executes or that settle into clients' Schwab accounts. In addition to commissions, Schwab charges clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker/dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your Schwab account.

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like Advisor. They provide Advisor and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab's retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, Schwab may charge us quarterly service fees.

Schwab's services described in this paragraph generally benefit you and your account. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that provides access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocation of aggregated trade orders for multiple accounts; provides pricing and other market data; facilitates payment of our fees from our clients' accounts; and assists with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise, including educational conferences and events; technology, compliance, legal, and business consulting; publications and conferences on practice management and business succession; and access to employee benefit providers, human capital consultants and insurance providers. Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to RFS. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of the above-described services from Schwab benefits Advisor because Advisor does not have to produce or purchase these services. Advisor does not have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give us an incentive to require that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. The selection of Schwab is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

### **Best Execution**

While we do not allow directed brokerage, we must still use reasonable diligence to make certain that best execution is obtained for clients when implementing any transactions. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions surrounding the transaction execution is in the best interests of clients. When considering best execution, our representatives look at a number of factors besides prices and rates including, but not limited to:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit us

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services

offered. We perform periodic reviews to determine that the relationships with LPL and Schwab are in the best interests of clients.

### **Soft Dollar**

Investment advisors may direct portfolio brokerage commissions to a particular broker/dealer in return for services and research used in making investment decisions in client accounts. The commissions used to acquire these services and research are known as “soft dollars.” Section 28(e) of the *Securities Exchange Act of 1934* provides a “safe harbor” that allows an investment advisor to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid was reasonable in relation to the brokerage and research services provided.

Although we don’t allow directed brokerage, we may still receive products and services from LPL or other program sponsors and product issuers. These products and services may be used for both research and non-research purposes and allows us to supplement, at no cost, our own research and analysis activities. These products and services can include, but are not limited to:

- Reports, publications and data on matters such as the economy, industries, sectors and individual companies or issuers, statistical information, account and law interpretations, political analyses, legal developments affecting portfolio securities, technical market actions, credit analyses, risk management and analyses of corporate responsibility issues
- On-line news services and financial and market database services
- Information management systems integrating quotation and trading, performance management, accounting, recordkeeping and document retrieval and other administrative matters
- Meetings, seminars, workshops and conferences with representatives of issuers, program sponsors and/or other analysts and specialists

Research obtained with soft dollars is not necessarily utilized for the specific account that generated the soft dollars. We do not attempt to allocate the relative costs or benefits of research among clients because we believe that, in the aggregate, the research we receive benefits all clients and assists us in fulfilling our overall duty to clients.

These arrangements may be deemed to create a conflict of interest to the extent that we would have to pay for some or all of the research and/or services with “hard dollars” if we were unable to obtain the research and services in exchange for commissions in connection with client transactions. Client trades are always implemented based on the goals and objectives of the client and not on any research, products or other incentives available.

### **Handling of Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and we absorb any loss resulting from the trade error if we caused the error. If the error is caused by the broker/dealer, the broker/dealer is responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain remains in the client’s account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. We may also confer with clients to determine if they should forego the gain (e.g., due to tax reasons). We never benefit or profit from trade errors.

## **Block Trades**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and may be used by us when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions are averaged as to price and allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation or remuneration as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Financial planning accounts terminate upon presentation of the plan or completion of the consultation and so no reviews are conducted. However, we recommend that you have your financial situation reviewed and your plan updated annually. If you elect to have this review and update, a new client agreement may be required and additional fees may be charged. If you contract for retainer services, you may request a review of your financial situation and an update of your plan as a part of those services. If you contract for pension consulting services, you can also receive account reviews as a part of those services. Managed accounts are reviewed at least quarterly but usually on a monthly basis. Accounts at third party money managers are reviewed when copies of account statements are received, usually quarterly.

Our representatives are responsible for reviewing their own accounts. While the calendar is the main triggering factor, reviews may also be performed due to your specific request, a change in your circumstances and unusual market activity or economic conditions. Absent your specific instructions, accounts are reviewed for accuracy of holdings and to ensure that the portfolios continue to work towards your goals and objectives.

### **Account Reports**

You receive account statements at least quarterly directly from LPL, Schwab, the money manager or the qualified account custodian. We also provide an account summary during review meetings with you.

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

We do not directly or indirectly compensate anyone for client referrals to us.

Please see **Item 5, Fees and Compensation**, **Item 10, Other Financial Industry Activities and Affiliations** and **Item 12, Brokerage Practices**, for additional discussion about solicitor/referral fees from third party managers, other compensation and non-economic benefits.

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Advisor is deemed to have custody of client funds and securities whenever Advisor is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Advisor will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Advisor is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Advisor. When clients have questions about their account statements, they should contact Advisor or the qualified custodian preparing the statement.

When fees are deducted from an account, Advisor is responsible for calculating the fee and delivering instructions to the custodian. At the same time Advisor instructs the custodian to deduct fees from your account; Advisor will send you an invoice itemizing the fee. Itemization will include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

## **Item 16 – Investment Discretion**

When providing asset management services, Advisor maintains trading authorization over your account and can provide management services on a discretionary or non-discretionary basis. When discretionary authority is granted, we have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, even with discretionary authority, it is our policy to consult with you prior to making significant changes in the account.

If accounts are managed on a non-discretionary basis, we are required to contact you prior to implementing changes in your account. Therefore, you are contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we are responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You may also place reasonable limitations on the discretionary power granted to Advisor so long as the limitations are specifically set forth or included as an attachment to the client agreement.



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

We do not vote proxies on your behalf. You should read through the information provided with the proxy-voting documents and to make a determination based on the information provided. However, at your request, we may provide limited clarifications of the issues based on our understanding of issues presented in the proxy-voting materials. You have the ultimate responsibility for making all proxy-voting decisions.

## **Item 18 – Financial Information**

This item is not applicable to our brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

## **Customer Privacy Policy**

Regulation S-P, Privacy of Consumer Financial Information, requires financial institutions, including us, to provide notice to current clients and prospective clients about their policies and practices concerning the collection and use of customer, non-public information. This privacy policy notice is given to all of our prospective clients upon entering into a contract with us and annually thereafter.

**Privacy Disclosure Statement.** Our primary goal is to protect the privacy of its clients. We do not sell the personal information of clients to anyone.

To conduct regular business, we may collect non-public personal information from clients. This information is provided by clients to us on applications and other forms provided by clients to us as well as transactions with the firm, its affiliates, or others.

We may enter into contracts with outside third parties so that we can assist clients in servicing their accounts. In order to do this, we disclose personal information to companies that help us process transactions for client accounts (for example, executing client trades through a broker/dealer). However, we do not share or disclose any non-public customer information except as allowed or required by law. In addition to sharing information in order to provide financial services to clients, we may be required to disclose personal information to cooperate with regulators or law enforcement authorities, to resolve customer disputes, or for risk control.

**Information Safeguarding.** We have implemented strict policies and procedures aimed at protecting the sensitive nature of client information. We restrict access to client information to only those members of our firm that must provide products and services to clients in order to service client accounts. We have implemented physical, electronic, and procedural safeguards aimed at meeting our duty to protect non-public client information.

If clients have any questions concerning our customer privacy policy or concerns about their personal information please feel free to contact Kelly Campbell at the number located on the cover page of this Disclosure Brochure.