

**Item 1 – Cover Page**



9 Taylors Rise  
Rochester, NY 14618  
(585) 271-2426 (BHAM)  
<http://www.bh-am.com>

Date of Brochure: February 2012

---

This brochure provides information about the qualifications and business practices of Brick House Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (585) 271-2426. 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 Brick House Asset Management, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Brick House Asset Management, LLC. You may search for information by using the firm's CRD number. The CRD number for Brick House Asset Management is 153155.

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

## **Item 2 – Material Changes**

Since our last update was filed, the only material change is that the firm no longer refers clients to third party money managers. 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
Asset Management Services .....	5
Limits Advice to Certain Types of Investments .....	5
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.....	6
Financial Planning Services .....	6
Seminars .....	6
Financial Plans .....	6
Consultations .....	1
Ongoing Retainer Services .....	2
Asset Management Services .....	3
Comparable Services .....	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients .....	4
Minimum Investment Amounts Required .....	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Methods of Analysis .....	5
Fundamental .....	5
Technical .....	5
Charting .....	5
Primary Method of Analysis or Strategy .....	6
Investment Strategies .....	6
Risk of Loss .....	6
Primarily Recommend One Type of Security .....	7
Item 9 – Disciplinary Information.....	7
Item 10 – Other Financial Industry Activities and Affiliations .....	8
Insurance Sales .....	8
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	8
Code of Ethics Summary .....	8
Participation in Client Transactions and Personal Trading .....	9
Item 12 – Brokerage Practices.....	9
Investment or Brokerage Discretion.....	9
Trade Errors .....	9
Block Trades .....	10
Item 13 – Review of Accounts .....	10
Account Reviews.....	10
Account Reports.....	10

Item 14 – Client Referrals and Other Compensation .....	10
Client Referrals .....	10
Other Compensation .....	10
Item 15 – Custody .....	10
Item 16 – Investment Discretion .....	11
Item 17 – Voting Client Securities .....	11
Item 18 – Financial Information .....	11
Customer Privacy Policy .....	12

## **Item 4 – Advisory Business**

### **Ownership**

Brick House Asset Management, LLC (“Advisor” or “we”) is an investment advisor registered with the Securities and Exchange Commission since April 2010. We are a limited liability company formed under the laws of the State of New York. Lawrence L. Halpern is the sole member (owner).

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

We offer personalized advisory services including financial planning and asset management. 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 (“client” 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 client accounts. Instead, planning services focus on a client’s overall financial situation or on specific areas of client concern.

We also offer consultations on any topic of interest to clients and these meetings can be a one-time event or multiple sessions.

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

We offer investment management services providing clients with continuous and on-going supervision over their accounts. This means that we continuously monitor a client’s account and make trades in that account when necessary.

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

We provide advice to the following types of investments:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Municipal debt securities
- Commercial paper
- Certificates of deposit
- Mutual fund shares
- United States government and government agency securities
- Options contracts on securities

Although our advice is generally limited to the above products, we reserve the right to offer advice on any investment product that may be suitable for each client’s specific circumstances, needs, goals and

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**

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 and transaction services are provided for one fee. We do not act as a portfolio manager of or sponsor wrap fee programs.

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

The amount of assets managed by Advisor totaled \$31,235,443 as of December 31, 2011, of which \$30,485,287 was managed on a discretionary basis and \$750,156 was managed on a non-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.

### **Financial Planning Services**

#### ***Seminars***

We offer educational and informational seminars to the public free of charge. Seminars may also be provided to corporate clients and their employees on any topic desired by the employer relating to the financial industry. All seminars are offered on an impersonal basis and do not focus on the individual needs of participants. For corporate seminars, a fixed fee may be charged that ranges from \$1,000-\$2,500 per seminar and is payable after the seminar. Fees are negotiable based upon the topic(s) to be discussed, the number of seminars presented and the location of the seminar(s).

#### ***Financial Plans***

We offer financial planning services in the form of written or oral segmented financial plans. Plans can include, but are not limited to, the following areas:

- Personal planning (family records, budgets, personal liability, etc.)
- Cash flow and management
- Retirement planning
- Business planning
- Estate planning
- Education planning
- Risk management
- Investment analysis
- Benefit plans
- Stock option analysis

Our investment advisor representatives (“representatives”) meet with you to gather information and documentation needed to perform an analysis and review of your situation as well as your objectives and goals. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet your needs. 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 or your other professional consultants (i.e., attorney, accountant, etc.).

Our services do not include legal or tax advice. We urge you to work closely with your attorney, accountant or other professional consultants regarding your financial and personal situation. We also request that you notify us if there is ever a change in your financial situation or investment objectives so that we can review, evaluate and/or revise any prior recommendations made or services provided.

After completing a review and analysis of the information and documents received, our representatives develop their analyses and recommendations and present your requested plan. You should be aware that while a comprehensive plan covers your overall financial situation, a segmented plan focuses only on one or more specific areas of concern to you. This means other important issues may not be taken into consideration when our representatives develop their analyses and recommendations. All of our recommendations are generic in nature and are not limited to any specific product or service offered by the financial services industry.

There is no charge for our initial meeting with you. After this free introductory meeting, fees for financial plans are charged at a non-negotiable rate of \$300 per hour. We provide an estimate of the time needed to complete the requested services. If the actual time needed exceeds the estimate given, we contact you for permission to continue with the work. You are charged the actual time spent on the services. At their sole discretion, our representatives may require the more complex cases to pay a \$500 deposit at the time the client agreement is signed. Either the remainder of the fee or the entire fee is due at the time we present the plan to you. We provide you with a detailed billing statement.

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 financial planning recommendations made by our representatives. If you do decide to implement the recommendations, you are responsible for taking any actions or implementing any transactions required, and you are free to select any broker/dealer and/or insurance agent to implement recommendations. You should be aware that our representatives may also be licensed insurance agents. If you elect to follow our recommendations regarding insurance products, and select one of our representatives to implement the recommendations, the representative could receive commissions. This is a potential conflict of interest since the representative could earn advisory fees in his or her capacity as an investment advisor representative and could also earn commissions on insurance products sold in his or her capacity as an independently licensed insurance agent. Please see **Item 10, Other Financial Activities and Affiliations**, for additional discussion on this conflict of interest.

Services terminate upon presentation of the plan to you. However, either party can terminate services at any time by providing written or oral notice to the other party. If oral notice is provided, a written confirmation is required. Termination is effective immediately upon receipt of such 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 or prorated refund.

### ***Consultations***

We offer consultation services on any topic or topics of interest to you including, but not limited to, portfolio review and analysis, investment allocations and expert witness-related activities. Consultation services are advisory services only and do not include any implementation or transaction services related to client portfolio holdings. Together, we 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 are charged at a non-negotiable rate of \$300 per hour. 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 us permission before we proceed with additional consultations. You are charged the actual time expended. Fees are payable upon completion of the consultations, and we provide a detailed billing statement to you that is due upon receipt.

Just like with our financial planning services, you have sole discretion about whether or not to contract for our consultation services. You also have sole discretion about whether or not to implement any recommendations made by our representatives. If you do decide to implement the recommendations, you are responsible for taking any actions or implementing any transactions required, and you are free to select any broker/dealer and/or insurance agent to implement recommendations. You should be aware that our representatives may also be licensed insurance agents. If you elect to follow our recommendations and select one of our representatives to implement insurance recommendations, the representative could receive commissions. This is a potential conflict of interest since the representative could earn advisory fees in his or her capacity as an investment advisor representative and could also earn commissions on insurance products sold in his or her capacity as an independently licensed insurance agent. Please see **Item 10, Other Financial Activities and Affiliations**, for additional discussion on this conflict of interest.

Consultation services terminate upon completion of the requested consultations. However, either party can terminate services at any time by providing written or oral notice to the other party. If oral notice is provided, a written confirmation is required. Termination is effective immediately upon receipt of such 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.

### ***Ongoing Retainer Services***

You may also contract with us to receive retainer services for a one year period. During this time, you can telephone or visit 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 maximum charge that generally does not exceed \$25,000 per year. Fees are negotiable based upon the complexity of your situation and the requested and anticipated services we provide. Fees are billed in advance on a quarterly basis, and we provide you with a detailed billing statement that is due upon receipt.

Ongoing 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, an addendum to the original client agreement is required detailing the change in services provided and/or fees charged.

Ongoing retainer services continue for a one-year period unless sooner terminated by either party providing written or oral notice to the other party. If oral notice is provided, a written confirmation is required. Termination is effective immediately upon receipt of such notice. If services are terminated within five business days of signing the client agreement or renewal addendum, services are terminated without penalty. You are responsible for the time expended to the date of termination and we provide a billing statement detailing the prorated refund owed to you.



## Asset Management Services

We offer asset management services, defined as including giving continuous investment advice and/or making investments for you based on your individual needs, goals and objectives. We offer a customized and individualized investment program providing you advice among various asset classes, ongoing assistance with evaluating and selecting investments, adjusting and rebalancing portfolios.

We assist you in establishing a managed account(s) at a qualified custodian selected by you. Qualified custodians may include registered investment advisors, broker/dealers and banks. The qualified custodian maintains custody of all your funds and securities. We do not act as custodian and do not have direct access to your funds and securities. There is a minimum of \$250,000 required to create a managed account, although our representatives may grant exceptions to family members at their sole discretion. In addition, you can aggregate or bundle your household accounts to reach this minimum account requirement.

We are granted trading authorization on your account and provide management services on either a discretionary or non-discretionary basis. 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. You must provide us with written authorization to exercise this discretionary authority, and you can place reasonable restrictions and limitations on the discretionary authority. If asset management services are provided on a non-discretionary basis, this means that we always contact you before implementing any transactions in an account. See **Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

Fees are charged as either a flat fee or as a percentage of assets under management as follows:

### Equity Portfolios

<u>Account Value</u>	<u>Annual Fee</u>
Under \$500,000	1.50%
\$500,001 - \$999,999	1.25%
\$1,000,000 - \$4,999,999	1.00%
\$5,000,000 - \$9,999,999	0.75%
Over \$10,000,000	Negotiable

### Fixed Income Portfolios

<u>Account Value</u>	<u>Annual Fee</u>
Under \$500,000	1.00%
\$500,001 - \$999,999	0.85%
\$1,000,000 - \$4,999,999	0.75%
\$5,000,000 - \$9,999,999	0.60%
Over \$10,000,000	Negotiable

Fees are negotiable based on the complexity of your situation and the actual services provided. Cash positions in managed accounts are excluded from management fees. However, there is a minimum charge of \$5,000 per year on all portfolios that is non-negotiable. Clients can aggregate or bundle their household accounts in order to reach a higher account level and a lower fee charge.

Fees are billed in advance and, at your request and the sole discretion of our representatives, can be billed either monthly or quarterly. Fees are calculated on the value of the account at the end of the previous period. Accounts opened mid-period are prorated based on the number of days that services are provided during the first billing period.

Fees can be billed directly or deducted directly from your account. If you elect to have fees deducted from your account you must provide the custodian with written authorization to have fees deducted from the account and paid to us. Prior to fees being deducted from an account (and at the same time a billing statement is sent to the custodian), we send you an invoice documenting the amount to be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of any such adjustments. If you elect to pay directly, payment is due when you receive our billing statement.

At least quarterly, you receive an account statement from your account custodian detailing transactions in your account, including advisory fees charged. You should review the statements received from the account custodian and verify that appropriate advisory fees are being deducted. The custodian does not verify the accuracy of the advisory fees deducted.

You may be charged fees by other parties in connection with the investment advice provided by us. The qualified custodian selected by you may charge a separate custody fee and may also 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.

Management services are ongoing unless either party provides written or oral notice to the other party. If oral notice is provided, a written confirmation is required. Termination is effective 45 days after receiving that notice. During that 45 day period, we continue to provide services on any work already begun but will not begin any new services unless you specifically instruct us to do so. 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 a billing statement detailing the prorated refund owed to you.

### **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:

- High-net worth individuals
- Families, including Family Offices
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations

## **Minimum Investment Amounts Required**

We have a \$250,000 minimum per household required to establish a managed account, although our representatives may grant exceptions to family members at their sole discretion. There is a non-negotiable \$5,000 per year minimum fee charged on all managed accounts. Clients can aggregate or bundle household accounts to reach the minimum account balance and also to reach a higher account level and lower fee charge.

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

### **Methods of Analysis**

We use fundamental, technical and charting 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.

#### ***Charting***

Charting is a technical analysis that charts the patterns of stocks, bonds and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

### **Primary Method of Analysis or Strategy**

Since our primary goals are capital preservation and income, we generally focus on a long term buy and hold strategy and focus on after-tax returns. In most cases, the portfolio is heavily allocated towards fixed income investments; equity investments are a minor part of the portfolio. Each client's strategy and subsequent portfolio is individually formulated in conjunction with extensive conversations with the clients to determine their goals and risk tolerance. Some of the risks involved with using this method include any short term volatility that can and will occur within the fixed income and equity markets. See also, **Item 5, Fees and Compensation**, for additional discussion on our strategy and analysis methods when managing assets.

### **Investment Strategies**

When implement investment advice, our investment strategies include:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year. As noted above, short term trading is expected to be minimal)
- 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. While securities may be held in a margin account at the client's designated custodian/brokerage firm, the advisor will not recommend any transaction that would require the client to borrow cash from the custodian/brokerage firm. However, there may be times when certain option strategies would require the securities to be held in the margin account by the custodian/broker/dealer. Clients cannot borrow stock from Advisor.)

We gather information from financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectus and other filings with the Securities and Exchange Commission and company press releases.

### **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 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)
- A 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
- 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 registered 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.

### **Insurance Sales**

Some of our representatives may also be 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.

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

### **Code of Ethics Summary**

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 client 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 interest. We provide full disclosure of all material facts and potential conflicts of interest to clients prior to any services being conducted. Both 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.

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

Both we, and our associated persons, may buy or sell for our personal accounts, investment products identical to those recommended to clients. This may create a potential conflict of interest, however, it is our express policy that all persons associated in any manner with us must place the interests of clients ahead of their 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 his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by us are widely held and publicly traded. We are and will continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*.

## **Item 12 – Brokerage Practices**

### **Investment or Brokerage Discretion**

We do not require or recommend that you use any specific broker/dealer or custodian for you managed accounts. You are free to select any broker/dealer or custodian for you managed accounts. However, when you direct the use of a specific broker/dealer or custodian, we may not be able to obtain the best price and execution for your transactions.

We do not have any soft dollar arrangements. However, the custodian you select for your accounts may make available products and services available to us at a reduced cost or at no cost. These other products and services may benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering accounts, including:

- Software and other technology that provide access to client account data (such as trade confirmations and account statements)
- Facilitation in trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Research, pricing information and other market data
- Facilitation for payment of fees to us from clients' accounts
- Assistance with back-office functions, record-keeping and client reporting.

The selected custodians may also offer other services intended to help us manage and further develop our business enterprise, such as:

- Consulting
- Publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

### **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 resulting loss if the error was caused by us. If the error is caused by the broker-dealer, the broker-dealer is responsible for covering all trade error costs. We never benefit or profit from trade errors.

### **Block Trades**

We do not do block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Financial planning and consultation services terminate upon presentation of the plan or completion of the consultations. We recommend that you have your financial situation reviewed and your financial plan updated at least annually. If you elect to have a review and update, a new client agreement may be required and additional fees may be charged. Ongoing financial services are for a one year period and these services can include a review and update of a previously prepared plan.

All of our representatives are responsible for reviewing their own accounts. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in your circumstances, at your request, or unusual market and/or economic activity. Absent specific instructions from you, we review accounts for continued suitability, accuracy of holdings and to ensure the portfolios continue to work toward your goals and objectives.

### **Account Reports**

You receive account statements at least quarterly from your qualified custodian. In addition, we also provide you with periodic performance and/or position reports. The nature and timing of any report would depend on the client's specific needs and circumstances.

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

### **Client Referrals**

We do not directly or indirectly compensate anyone for referring clients to us.

### **Other Compensation**

For additional discussion on other compensation received, please refer to **Additional Compensation** under **Item 5, Fees and Compensation**, **Item 10, Other Financial Industry Activities and Affiliations** relative to insurance sales and **Item 12, Brokerage Practices**, for discussion about the services and products we may receive from qualified custodians selected by clients.

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts.



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 for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. Our procedures do **not** result in our maintaining custody of client funds and securities.

For accounts where we are 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 creation 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 us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

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

Asset management services are provided on a discretionary basis only. This means 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 client before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority. You can impose reasonable restrictions on management of you accounts.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted by the custodian from your account and paid to us. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian.

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

We do not perform proxy-voting services for you. You should read through the information provided with the proxy-voting documents and make a determination based on the information provided. 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

In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act* (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to non-affiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. We do not share or disclose customer information to non-affiliated third parties except as permitted or required by law.

We are committed to safeguarding the confidential information of our clients. We hold all personal information provided by clients in the strictest confidence and it is our objective to protect the privacy of all clients. Except as permitted or required by law, we do not share confidential information about clients with non-affiliated parties. In the event that there were to be a change in this policy, we provide clients with written notice and clients will be provided an opportunity to direct us as to whether such disclosure is permissible.

To conduct regular business, we may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to us
- Information about the client's transactions implemented by others
- Information developed as part of financial consultations and analyses

To provide related services for client accounts, it is necessary for us to provide access to customer information within the firm and to non-affiliated companies with whom we have entered into agreements. To provide the utmost service, we may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on our behalf.

- Information we receive from the client on applications (name, Social Security number, address, assets, etc.)
- Information about the client's transactions with others (account information, payment history, parties to transactions, etc.)
- Information about a client's financial products and services transaction with us

Since we share non-public information solely to service our clients, we do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. However, we may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.