

# Advanced Practice Advisors, LLC

## Client Brochure

*This brochure provides information about the qualifications and business practices of Advanced Practice Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (858) 436-3860 or by email at: [info@apa-ria.com](mailto:info@apa-ria.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Advanced Practice Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Advanced Practice Advisors, LLC's CRD number is: 154084*

12250 El Camino Real, Suite 160  
San Diego, California, 92130  
(858) 436-3860  
[www.apa-ria.com](http://www.apa-ria.com)  
[info@apa-ria.com](mailto:info@apa-ria.com)

*Registration does not imply a certain level of skill or training.*

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## Item 2: Material Changes

The material changes in this brochure from Advanced Practice Advisors, LLC's last annual filing on 02/16/2011 are described below. This list summarizes changes to Advanced Practice Advisors, LLC's policies, practices or conflicts of interests only.

Material Change	Previous Brochure Location (Page Number/Item Number)	This Brochure Location (Page Number/Item Number)
Disclosure regarding relationship an outside RIA has been removed. The relationship no longer exists.	Item 10 C, Page 7	Item 10 C, Page 7
The AUM has been updated.	Item 4, Page 2	Item 4,Page 2
Conflict of Interest language regarding third-party money-managers has been added.	Item 10 D, Page 7	Item 10 D, Page 8
Item 12, 14, and 15 has been updated to further disclose the relationship with the Custodian.	Item 12,14,15	Item 12,14,15
Assets Under Management have been updated	Item 2, Page 2	Item 2, Page 2

## Item 3: Table of Contents

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

This firm has been in business since June 3, 2010 and the principal owners are Paul Curtis Spitzer, Christopher Tate, and Daniel Craig Osgood.

### **B. Types of Advisory Services**

Advanced Practice Advisors, LLC (hereinafter "APA") offers the following services to advisory clients:

#### ***Investment Supervisory Services***

APA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. APA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

APA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. APA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Selection of Other Advisors***

APA may direct clients to third party money managers. APA receives its fee directly from clients. The third party managers also receive its fees directly from the client for its services. This relationship will be disclosed in each contract between APA and each third party advisor. The fees will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for clients, APA will always ensure those other advisors are properly licensed or registered as investment advisor.

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

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

### ***Services Limited to Specific Types of Investments***

APA limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, third party money managers, REITs, insurance products including annuities, private placements, government securities. APA may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

APA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent APA from properly servicing the client account, or if the restrictions would require APA to deviate from its standard suite of services, APA reserves the right to end the relationship.

### **D. Wrap Fee Programs**

APA does not participate in any wrap fee programs.

### **E. Amounts Under Management**

APA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$77,103,426	\$26,338,127	12/31/2011

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Investment Supervisory Services Fees***

Total Assets Under Management	Annual Fee
\$1 - \$499,999	3.00%
\$500,000 - \$999,999	2.50%
Above \$1,000,000	1.50%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with written authorization. Lower fees for comparable services may be available from other sources. There is no account minimum.

### ***Financial Planning Fees***

#### ***Fixed Fees***

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$2500 and \$5,000. Fees are paid 50% in advance, but never more than six months in advance with the balance due upon completion and delivery of plan. Fees that are charged in advance for financial plans are non-refundable. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

#### ***Hourly Fees***

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is \$250. A standard plan development takes approximately ten hours. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid 50% in advance based on the estimated number of hours required, but never more than six months in advance, with the remainder due upon completion. Fees that are charged in advance for financial plans are non-refundable. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

#### ***Financial Planning Based on Net Worth***

APA also provides financial planning services to clients who may have large assets such as real estate or a closely held business but still needs in-depth planning on an ongoing basis. These services are billed on net worth for a fixed period of time at a minimum rate of \$10,000 per year for a two year period regardless of any change in the client's net worth. Fees are paid quarterly in advance, but never more than six months in advance. Fees that are charged in advance may be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

### ***Payment of Financial Planning Fees***

**Hourly** Financial Planning fees are paid via check or withdrawal from client's accounts in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

**Fixed** Financial Planning fees are paid via check or withdrawal from client's accounts in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fee etc.). Those fees are separate and distinct from the fees and expenses charged by APA. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

APA collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither APA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds. However, in rare cases, representatives of APA may work with a general insurance agent for advanced planning and share in compensation with the agent.

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

APA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.



## Item 7: Types of Clients

APA generally provides investment advice to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Banks and Thrift Institutions
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

### *Minimum Account Size*

There is no account minimum.

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

### A. Methods of Analysis and Investment Strategies

APA's uses fundamental analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

APA uses Long Term Trading, Short Term Trading, Short Sales, Margin Transactions, and Options Writing including covered options, uncovered options, or spreading strategies.

APA utilizes investment strategies that are designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### C. Risks of Specific Securities Utilized

APA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss. Investments in these securities are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in stocks & ETF's.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither APA nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither APA nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither APA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

APA will direct clients to third party money managers. APA will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be disclosed in each contract between APA and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that APA has an incentive to direct clients to the third party money managers that provide APA with a larger fee split. APA will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

APA will ensure that all recommended advisors or managers are licensed or notice filed in the states in which APA is recommending them to clients.

## **Item 11: Code of Ethics, Participation in Transactions, Personal Trading**

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

### **B. Recommendations Involving Material Financial Interests**

APA does not recommend that clients buy or sell any security in which a related person to APA has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of APA may buy or sell securities for themselves that they also recommend to clients. APA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of APA may buy or sell securities for themselves at or around the same time as clients. APA will not trade non-mutual fund or non-ETF securities 5 days prior to or 5 days after trading the same security for clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

#### ***The Custodian and Brokers We Use***

APA ("we/our") does not maintain custody of your assets [that we manage or on which we advise (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc.

(Schwab), Fidelity Brokerage Services LLC, (CRD# 7784), and Merrill Lynch & Co., Inc., FINRA-registered broker-dealers, member SIPC, as the qualified custodians. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when [we/you] instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### ***How We Select Brokers/Custodians [to Recommend]***

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- o combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- o capability to execute, clear and settle trades (buy and sell securities for your account)
- o capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- o breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- o availability of investment research and tools that assist us in making investment decisions
- o quality of services
- o competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- o reputation, financial strength and stability of the provider
- o their prior service to us and our other clients
- o availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us from Schwab")

### ***Your Custody and Brokerage Costs***

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. [For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions.] [Schwab's [commission rates [and] asset-based fees] applicable to our client accounts were negotiated based on our commitment to maintain \$ of our clients' assets statement equity in accounts at Schwab.] This commitment benefits you because the overall [commission rates [and] asset-based fees] you pay are lower than they would be if we had not made the commitment. In addition to [commissions [or] asset-based fees] Schwab charges you 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 account.

### ***Products and Services Available to Us from Schwab***

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab 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, it may charge us quarterly service fees of \$.

Here is a more detailed description of Schwab's support services:

#### **Services that Benefit You.**

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's services described in this paragraph generally benefit you and your account. Services that May Not Directly Benefit You. 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:

- o provide access to client account data (such as duplicate trade confirmations and account statements);
- o facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- o provide pricing and other market data;
- o facilitate payment of our fees from our clients' accounts; and
- o assist with back-office functions, recordkeeping and client reporting. Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - o educational conferences and events
  - o technology, compliance, legal, and business consulting;
  - o publications and conferences on practice management and business succession; and
  - o access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. 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.

### ***Our Interest in Schwab's Services***

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't 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 recommend 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. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see "How We Select Brokers/Custodians to Recommend") and not Schwab's services that benefit only us. We have sufficient funds in client assets under management, and do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### ***1. & 2. Research and Other Soft-Dollar Benefits and Brokerage for Client Referrals***

APA may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although APA may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. APA is independently owned and operated and not affiliated with Schwab. Schwab provides APA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are contingent upon APA committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For APA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders

through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to APA other products and services that benefit APA but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of APA accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist APA in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of APA fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help APA manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to APA. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to APA. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of APA personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, APA may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### ***1. Clients Directing Which Broker/Dealer/Custodian to Use***

APA will not allow clients to direct APA to use a specific broker-dealer to execute transactions. Clients must use APA recommended custodian (broker-dealer). Not all investment advisers require their clients to direct brokerage. By requiring clients to use our specific custodian, APA may be unable to achieve most favorable execution of client transaction and that this may cost clients money over using a lower-cost custodian.

### **2. Aggregating (Block) Trading for Multiple Client Accounts**

APA maintains the ability to block trade purchases across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Investment Advisory Services: Client accounts are reviewed quarterly only by the investment committee. The chief advisor is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at IA are assigned to the chief advisor. Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report detailing the clients account performance, which may come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **B. Compensation to Non –Advisory Personnel for Client Referrals**

APA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.



## **Item 15: Custody**

APA does not take custody of client accounts at any time. Custody of client's accounts is held primarily at Name of custodian. Clients will receive account statements from the custodian and should carefully review those statements.

## **Item 16: Investment Discretion**

For those client accounts where APA provides ongoing money management or investment advice with ongoing supervision, APA maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

## **Item 17: Voting Client Securities (Proxy Voting)**

APA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

APA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither APA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

Neither APA nor its management have been the subject of a bankruptcy petition in the last ten years.