

# **Summit CPA Group, LLC**

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**May 24, 2012**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Summit CPA Group, LLC DBA Summit CPA Group. If you have any questions about the contents of this brochure, please contact us at (260) 497-9761 or [info@summitcpa.net](mailto:info@summitcpa.net). 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 Summit CPA Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Summit CPA Group is 156195.

Summit CPA Group is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Summit CPA Group, LLC will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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## Item 4 Advisory Business

### Description of Services and Fees

Summit CPA Group, LLC DBA Summit CPA Group is an accounting, tax planning and preparation firm based in Fort Wayne, Indiana. We are organized as a limited liability company under the laws of the State of Indiana. We took over the advisory business of Skinner Financial Services, Inc. and we were newly registered as an investment adviser in 2011. Jody A. Grunden and Adam Hale are our principal owners. However, Mr. Grunden and Mr. Hale only provide accounting and tax services. C. Rick Skinner is the firm's only investment adviser representative and is the firm's Chief Compliance Officer.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our" and "us" refer to Summit CPA Group and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

In addition to accounting and tax services, we currently offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Financial Planning Services**
- **Pension Consulting Services**

### Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will re-balance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. We charge a blended fee for portfolio management services that is based on a percentage of your assets we manage and is set forth in the following fee schedule.

<u>Assets</u> <u>Under Management</u>	<u>Annual</u> <u>Fee</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Over \$2,000,000	0.50%

Generally, we require a minimum account size of \$50,000 in order to open and maintain an advisory account with our firm. At our discretion, we may combine the account values of family members living in the same household to meet this minimum and to calculate the applicable advisory fee. For example, we may combine the account values of family members living in the same household to determine the applicable advisory fee. We may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above. Additionally, in our discretion, we may waive or lower the minimum requirement based on related accounts and/or other individual client circumstances. However, there will be a minimum annual fee of \$500 for discretionary assets under management.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will have electronic access to duplicate copies of the statements provided to you by your account custodian.

You may terminate the portfolio management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Since we charge management fees in advance, if you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Financial Planning and Consulting Services**

Portfolio Management inherently involves some degree of financial planning, which will be included in those *Portfolio Management Services* described above. However, in some cases, advice may be outside the scope of the invested or investable assets, or you might need a separate financial plan or hourly advice without implementation services as described in our Portfolio Management services above. Therefore, we also offer broad range of financial planning and consulting services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will present a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Generally, we charge an hourly fee of \$150 for financial planning services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We may negotiate a fixed annual retainer fee for clients who desire multiple or ongoing services. Typically, annual fees range between \$500 and \$50,000. Once a scope of the desired services is determined, we would negotiate an annual fee to be paid quarterly in advance to be agreed upon and clearly set forth in the advisory agreement. The fee would be assessed annually based upon time spent and complexity of the relationship.

If you only require advice on a single aspect of your finances, we offer modular financial planning/general consulting services on an hourly basis. Our rate for such services is \$150 per hour and is negotiable depending on the scope and complexity of the plan, your financial situation, and your objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you in advance and request that you approve the additional fee.

All fees are negotiable. Fees are billed as incurred and due within 30 days of invoice. Retainer clients are billed as agreed upon monthly or quarterly, but not more than \$500 for more than six months in advance.

We also offer general consulting services, which primarily involves advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation. We generally charge an hourly fee of \$150 for advisory consulting services, which is negotiable depending on the scope and complexity of services to be rendered. The hourly consulting fee is payable upon completion of the agreed upon consulting services.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid planning or consulting fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

Fees may be based on a percentage of the plan assets as indicated in the fee schedule below, or an hourly rate starting at \$150, or a fixed annual fee ranging between \$500 and \$50,000. The terms and compensation arrangements for these services will be negotiated on a case-by case basis and will be clearly set forth in the advisory agreement signed by both parties.

<u>Plan Assets</u> <u>Under Management</u>	<u>Annual</u> <u>Fee</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Over \$2,000,000	0.50%

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will have electronic access to duplicate copies of the statements provided to you by your account custodian.

When invoiced for advisory fees, we encourage you to reconcile our invoices with the statements you receive from the qualified custodian.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client. You will incur a pro rata charge for services rendered prior to the termination of the advisory agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Types of Investments**

We offer advice on equity securities, such as exchange-listed securities (ETFs), exchange traded funds, securities traded over-the-counter, and foreign issues, including American depository receipts (ADRs); warrants; corporate debt securities (bonds); commercial paper; certificates of deposit; municipal securities (bonds); investment company securities, such as mutual funds; and, US Government securities.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of February 2, 2012, we manage approximately \$41,000,000 in client assets on a discretionary basis. We do not manage assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee billing and/or deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons associated with our firm who are licensed as independent insurance agents will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Additionally, although Mr. Grunden does not provide investment advisory services on behalf of our firm, he is a registered representative with Investment Centers of America, Inc. (ICA), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. ICA is also a registered investment adviser. In his capacity as a registered representative, he is eligible to receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by him in his capacity as a registered representative is separate and in addition to our advisory fees. Typically, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, Mr. Grunden does not provide investment advisory services on behalf of our firm, and neither Mr. Grunden, nor any Associated Persons of our firm recommends securities or insurance



transactions to be placed through ICA. You are under no obligation, contractually or otherwise, to purchase securities or insurance products through ICA or any person affiliated with our firm, or through any particular service provider.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$50,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. However, there will be a minimum annual fee of \$500 for discretionary assets under management.

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

### Our Methods of Analysis and Investment Strategies

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

No investment strategy or method of analysis can assure that any trade or investment will result in a profit. Furthermore, each client must understand that any trade or investment could result in a loss and that the value of any client portfolio could decline below the original investment.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data are used to measure the intrinsic value of the company's stock compared to the current market value. Risks associated with fundamental analysis include that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- **Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends
- **Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market.
- **Short-Term Purchases and Trading** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. We may use trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. In some cases, we may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains or in an effort to avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.
- **Short Sales** - a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.
- **Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. Buying on margin means borrowing money from a broker to purchase stock. Margin trading allows you to buy more stock than you would be able to normally. An initial investment of at least \$2,000 is required for a margin account, though some brokerages require more. This deposit is known as the minimum margin. Once the account is opened and operational, you can borrow up to 50% of the purchase price of a stock. This portion of the purchase price that you deposit is known as the initial margin. Some brokerages require you to deposit more than 50% of the purchase price. Not all stocks qualify to be bought on margin. When you sell the stock in a margin account, the proceeds go to your broker against the repayment of the loan until it is fully paid. There is also a restriction called the maintenance margin, which is the minimum account balance you must maintain before your broker will force you to deposit more funds or sell stock to pay down your loan. When this happens, it is known as a margin call. If for any reason you do not meet a margin call, the brokerage has the right to sell your securities to increase your account equity until you are above the maintenance margin. Additionally, your broker may not be required to consult you before selling. Under most margin agreements, a firm can sell your securities without waiting for you to meet the margin call and you cannot control which stock is sold to cover the margin call. You also have to pay the interest on your loan. The interest charges are applied to your account unless you decide to make payments. Over time, your debt level increases as interest charges accrue against you. As debt increases, the interest charges

increase, and so on. Therefore, buying on margin is mainly used for short-term investments. The longer you hold an investment, the greater the return that is needed to break even. In volatile markets, prices can fall very quickly. You can lose more money than you have invested.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we advise on a variety of types of securities. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

In general, we primarily recommend mutual funds and exchange traded funds (ETFs). Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees, which can also reduce returns. We primarily recommend "no-load" funds. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely, which can dilute other investors' interests.

## Item 9 Disciplinary Information

Summit CPA Group has been registered and providing investment advisory services since 2011. Mr. Skinner has been continuously registered as an investment adviser representative since 1999. Mr. Grunden has been registered as a registered representative since 2001. Neither our firm nor any of our Associated Persons have any material disciplinary information to report.

## Item 10 Other Financial Industry Activities and Affiliations

Summit CPA Group is an accounting, tax planning, and tax preparation firm. Both Mr. Grunden, Member and Mr. Hale, Member are accountants, and both provide accounting and tax services on behalf of the firm. If you require accounting services, we will recommend that you use our firm. Our advisory services are separate and distinct from the compensation paid to our firm for accounting and tax services. Providing non-advisory services presents a potential conflict of interest because we may have a financial incentive to recommend our accounting and tax services to you. While we believe that fees charged for our accounting and tax services are competitive, our fees may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our accounting and tax services. You may obtain comparable services and/or lower fees through other firms.

Mr. Grunden, who is an owner of our firm, is a registered representative of Investment Centers of America, Inc. (ICA). Mr. Grunden does not provide investment advisory services on behalf of our firm. Registered representatives of ICA are subject to applicable rules that restrict them from conducting securities transactions away from ICA, unless ICA provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through ICA. It may be the case that ICA charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through ICA, these individuals (in their separate capacities as registered representatives of ICA) may earn commission-based compensation, as result of placing the recommended securities transactions through ICA. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through ICA. Furthermore, as previously disclosed, Mr. Grunden does not provide investment advisory services on behalf of our firm. No person associated with your firm will recommend securities transactions to be placed through ICA. However, in their capacities as independent insurance agents, such persons, including Mr. Grunden, may earn insurance commissions in connection with insurance transactions placed through ICA or other insurance providers.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We do not maintain custody of your assets that we manage, or on which we advise you, 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 maintain business relationships with several broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with an unaffiliated brokerage firm with which we have an existing relationship, such as Fidelity Brokerage Services, LLC Inc. (Fidelity), a securities broker/dealer and a member of the NYSE and the SIPC.

We are independently owned and operated and are not affiliated with Fidelity. Fidelity will hold your assets in a brokerage account and will buy and sell securities when instructed by you or us. While we recommend that you use Fidelity or as custodian/broker, you will decide whether to do so and will open your account with Fidelity or by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Fidelity or, we can still use other brokers to execute trades for your account.

### **Research and Other Benefits**

Some advisers pay brokerage firms for their services through commission revenue, as opposed to through normal direct payments (or hard dollar fees). We do not have a formal soft dollar arrangement with Fidelity.

However, our relationship with Fidelity may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.



Brokers are selected by us to execute securities transactions based on their market making abilities, their commission costs and the quality and capability of their trading execution.

The broker selected may provide some services such as written research on companies, industries, and the economy and may provide computer software that interfaces with registrant portfolio performance software. This is not necessarily a factor as to whether or not to use a particular broker.

As your financial advisor, you expect us to make thoughtful, carefully researched decisions, and to keep your best interests in mind. We use a similar approach when we make decisions about the service providers we employ to help us meet your financial objectives. As a result, we have selected Fidelity Investments to be our primary custodian.

Fidelity has been serving the needs of individual investors and investment professionals for over 50 years and, today is one of the largest privately owned financial services companies in the world. As experts in the financial services field, they have a thorough understanding of the products and services we need in order to better serve you, and they provide these to us through one of the industry's most efficient and technologically advanced brokerage platforms.

The wide selection of products and services offered through Fidelity, combined with their advanced brokerage platform and additional asset protection, provide a solid foundation to help us work together to achieve your financial objectives.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through Fidelity or. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage to particular service providers.

Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives and insurance agents who are affiliated with our firm.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding

factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Please note that we do not combine multiple orders for shares of Mutual Funds, because Mutual Funds do not trade in blocks.

## **Item 13 Review of Accounts**

Transactions and pricing are downloaded daily from account custodians and are reviewed by C. Rick Skinner, Chief Compliance Officer of our firm. Each account is reviewed on an ongoing basis for overall portfolio strategy. Accounts are reviewed with client upon request but usually at least once each quarter. Securities in client accounts are under continuous review.

Reviews may be triggered by:

- Various changes in economic, political and/or financial market conditions
- Change in client's goals and objectives
- Change in client time horizon
- Change in client risk tolerance
- Fundamental changes with respect to securities held in client portfolio

Reports are provided upon request with a formal report provided each quarter reviewing the following:

- Change in components of portfolio
- Performance compared to appropriate benchmark
- Asset Allocation
- Other reports available upon request are following but not limited to:
- Portfolio Statement
- Realized Gains and Losses
- Unrealized Gains and Losses
- Income Report
- Expense Report
- Maturity Report
- Projected Income and Redemptions

Other reports available upon request are following but not limited to:

- Portfolio Statement
- Realized Gains and Losses
- Unrealized Gains and Losses
- Income Report
- Expense Report
- Maturity Report
- Projected Income and Redemptions

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Fidelity or.

As disclosed above, under the "Fees and Compensation" section and in the " *Other Financial Industry Activities and Affiliations* " sections of this brochure, persons providing investment advice on behalf of our firm are licensed independent insurance agents, and/or are registered representatives with ICA, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" and " *Other Financial Industry Activities and Affiliations* " sections above.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms. You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

## **Item 17 Voting Client Securities**

### **Proxy Voting**

Unless agreed upon in writing with you, we will not vote proxies for new clients. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.



For existing portfolio management clients, where we have discretionary trading authority, we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

In the event you wish to direct our firm on voting a particular proxy, you should contact Rick Skinner at (260) 497-9761.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

## **Item 18 Financial Information**

We are not required to provide financial information to our clients because we do not:

- require the payment of more than \$500 in fees for six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

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

Please refer to the Part 2B brochure supplements for background information about management personnel and those giving advice on behalf of our firm.

As described above in Item 10, we are also an accounting firm and we may offer you accounting services in this separate capacity. Our advisory services and fees are separate and in addition to our accounting fees. You are under no obligation, contractually or otherwise, to use our firm's accounting services.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

**C. Rick Skinner**

CRD# 2933971

**Summit CPA Group, LLC**

**DBA Summit CPA Group**

**981 5 Dawson's Creek Blvd.  
Fort Wayne, IN 46825**

**(260) 49 7-9761**

**April 12, 2012**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about C. Rick Skinner that supplements the brochure for Summit CPA Group, LLC DBA Summit CPA Group. You should have received a copy of that brochure. Please contact C. Rick Skinner, Chief Compliance Officer at (260) 496-8560 or [rick@summitcpa.net](mailto:rick@summitcpa.net), if you did not receive Summit CPA Group's brochure or if you have any questions about the contents of this supplement.

Additional information about Rick Skinner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

**C. Rick Skinner, CFP®, E.A., AIF®**

*Year of Birth:* 1955

*Formal Education after High School:*

- International Business College, Indianapolis, IN, Accounting, 1975.

*Business Background for the Previous Five Years:*

- Summit CPA Group, LLC, Chief Compliance Officer & Investment Adviser Representative, 03/2011 - Present.
- Skinner Financial Services, Inc., President & Chief Compliance Officer, 03/2002 - 02/2011.

### **Certifications:**

**The CERTIFIED FINANCIAL PLANNER™, 1987.**

CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a

fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **Enrolled Agent (E.A.), 2004.**

This is a lesser tax designation often obtained by those who focus on preparing income or estate tax returns. The special agent exam administered by the Internal Revenue Service (IRS) is broken down into four three-hour sessions spanning two days. The test covers personal, estate and corporate taxes, as well as ethics and Internal Revenue Service regulations, but does not include straight accounting, auditing, or bookkeeping of any kind. It could perhaps be said that the Enrolled Agent designation allows tax preparers to roughly equate themselves to CPAs within the specific confines of tax preparation.

#### **Accredited Investment Fiduciary (AIF™), 2009**

The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor, and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

### **Item 3 Disciplinary Information**

Mr. Skinner does not have, nor has he ever had, any disciplinary disclosure.

### **Item 4 Other Business Activities**

In addition to offering investment advisory services, Summit CPA Group is an accounting, tax planning, and income tax preparation firm. Our advisory services are separate and distinct from accounting and tax services. We may have a financial incentive to recommend our accounting and tax services over another firm. While we believe that our fees are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our accounting and tax services. You may be able to obtain comparable services and/or lower fees through other firms.

### **Item 5 Additional Compensation**

Mr. Skinner does not receive any additional compensation for providing advisory services beyond that received as a result of his capacity as an Investment Adviser Representative and Chief Compliance Officer of Summit CPA Group.

Please refer to the *Other Business Activities* section above for disclosures on Mr. Skinner's receipt of additional compensation as a result of his activities as a licensed insurance agent. Additionally, please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Summit CPA Group's firm brochure for additional disclosures on this topic.

## **Item 6 Supervision**

Mr. Skinner is the Chief Compliance Officer of Summit CPA Group. As such, he is responsible for supervising the advisory activities of our firm. Our firm has developed Written Supervisory Policies and Procedures, which we follow that address his supervisory responsibilities including periodically reviewing investment recommendations, trades, and communications with clients. Mr. Skinner reports directly to Jody A. Grunden, Member of Summit CPA Group. Mr. Grunden can be reached at (260) 497-9761.

## **Item 7 Requirements for State Registered Advisers**

C. Rick Skinner does not have any reportable arbitration claims. He has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and he has not been the subject of a bankruptcy petition.