



## **FMB RETIREMENT SERVICES**

### **FIRM DISCLOSURE BROCHURE**

#### **ADV PART 2A**

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Dated June 15, 2012

#### **ITEM 1 – COVER PAGE**

This ADV Part 2A Firm Brochure provides information about the qualifications and advisory business practices of FMB Retirement Services. FMB Retirement Services is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 805.446.4494 or by email at [info@fmbwealth.com](mailto:info@fmbwealth.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. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about FMB Retirement Services is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – MATERIAL CHANGES**

In 2010, the SEC amended the format of the disclosure document (“brochure”) that we provide to prospective clients and clients engaging FMB Retirement Services (“FMBRS”) for advisory services. This brochure dated June 15, 2012 is our initial Brochure, and has been prepared using the new format, as required.

This section, “Item 2 – Material Changes” will only point out changes that have been made to a prior brochure and provide you with a summary of any material changes. Given that this is our initial Brochure, there have been no prior Brochures from which a material change could or has been made.

Please review FMB Retirement Services’ Brochure carefully for additional important disclosures and information.

### **ITEM 3 – TABLE OF CONTENTS**

ITEM 1 – COVER PAGE.....	1
ITEM 2 – MATERIAL CHANGES.....	2
ITEM 3 – TABLE OF CONTENTS .....	3
ITEM 4 – ADVISORY BUSINESS.....	5
A. ADVISER BACKGROUND .....	5
Advisory Personnel: .....	5
B. ADVISORY SERVICES .....	8
C. CLIENT NEEDS .....	11
D. WRAP PROGRAMS .....	12
E. CLIENT ASSETS UNDER MANAGEMENT.....	12
ITEM 5 – FEES AND COMPENSATION .....	12
A. COMPENSATION FOR ADVISORY SERVICES .....	12
B. BILLING METHOD .....	14
C. OTHER FEES AND EXPENSES .....	14
D. TERMINATION .....	14
E. ADDITIONAL COMPENSATION .....	15
ITEM 6 – PERFORMANCE FEES .....	15
ITEM 7 - TYPES OF CLIENTS.....	15
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	15
Methods of Analysis:.....	15
Investment Strategies: .....	17
Risk of Loss: .....	17
Sources of Information: .....	18
ITEM 9 – DISCIPLINARY ACTION.....	19
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	19
ITEM 11 – CODE OF ETHICS: PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	20
ITEM 12 – BROKERAGE PRACTICES.....	20
ITEM 13 – REVIEW OF ACCOUNTS.....	20
Individual Portfolio Management: .....	21

Third-Party Money Managers:.....	21
Consulting Services:.....	21
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	21
ITEM 15 - CUSTODY .....	21
ITEM 16 - INVESTMENT DISCRETION .....	22
ITEM 17 – VOTING CLIENT SECURITIES.....	22
ITEM 18 – FINANCIAL INFORMATION.....	22
ITEM 19 – PRIVACY POLICY .....	22
Safeguarding Customer Documents: .....	23
Sharing Non-Public Personal and Financial Information: .....	23
Opt-Out Provisions:.....	23

## **ITEM 4 – ADVISORY BUSINESS**

In May, 2012 FMBRS was created in the form of a related SEC-registered investment adviser to FMB Wealth Management under the common ownership of Debra and Thomas Fields.

FMB Retirement Services (“FMBRS”) is a boutique Advisory firm and limited scope 3(21) fiduciary, full scope 3(21) fiduciary or 3(38) fiduciary for qualified plans, located in Westlake Village, California. FMBRS is designed to offer suitable clients asset allocation and/or brokerage services, consolidated reporting and periodic recommendations pursuant to retirement investment objectives chosen by the clients. FMBRS will not hold or act as custodian for FMBRS client’s accounts.

FMBRS coordinates the financial affairs of a limited number of clients by implementing a comprehensive consulting process. We are a fee-only company, specializing in long-term investment strategy and dynamic portfolio design. We only take new clients when we believe that we can add value to those clients' financial situations. We primarily use passive, low-cost strategies for investments and a consultative and collaborative approach to investing.

FMBRS's clients are offered customized choices and solutions that will assist them with reaching their goals and reinforcing their values. These solutions are developed and delivered in close consultation with the clients as well as with other trusted advisors in a highly collaborative environment. In every aspect of our work, we make an uncompromising commitment to provide world class client service and strive to meet every client's highly individualized retirement needs.

### **A. ADVISER BACKGROUND**

FMBRS is a privately owned Registered Investment Adviser (RIA) registered with the U.S. Securities and Exchange Commission (SEC) ([www.sec.gov](http://www.sec.gov)). The principal owners are Thomas W. Fields and Debra A. Fields. While Debra A. Fields serves as FMBRS’s Director, Secretary, Treasurer and is a principal owner, and maintains her CFP designation, she does not offer investment advice or advisory services to clients. FMBRS works closely and is affiliated by common ownership with FMB Wealth Management (also a SEC-Registered Investment Adviser).

#### **Advisory Personnel:**

**Thomas W. Fields**, CFP®, Director, President, Chief Compliance Officer

Year of Birth: 1960

Designations: CFP® (Certified Financial Planner)

Licenses: Series 7, 24, 63

California Life, Health and Disability Insurance licensed

Education: BA Math, Occidental College, 1982

CFP® Certified Financial Planning Board of Standards, 1987

Business Registered Representative since 1987

Background: Rep/Independent Financial Group, 2005 - present

President/FMB Wealth Management, 2001 - present

(previously known as “Fields Financial Associates, Inc.”)  
President/FMB Retirement Services, 2012 - present

Thomas W. Fields does not have any reportable disclosure events. However, Mr. Fields was notified in November, 2011 that he was a named respondent in a FINRA arbitration claim through his broker-dealer affiliation with Independent Financial Group, LLC. While Mr. Fields is named as a respondent in this proceeding, and FMBRS has reviewed the issues raised and determined that the claims are without merit and not material to a current or future FMBRS client, FMBRS believes that any potentially material disclosure should be made and thereby includes this matter in this Brochure.

Mr. Fields is aggressively defending the false and irresponsible claims made against him. FMBRS firmly believes that Mr. Fields will be successfully dismissed from all claims. The details of this case can be found on FINRA’s BrokerCheck system or the Investment Adviser’s Public Disclosure site (IAPD). Client’s can access IAR disciplinary history by clicking on the BrokerCheck link, which is [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or the IAPD link, which is [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Other Business Activities:** Thomas W. Fields is a registered representative and registered principal with Independent Financial Group, LLC and is licensed to sell insurance products.

Mr. Fields receives management fees for providing pension fiduciary services through FMB Retirement Services, and other investment advisory services through affiliated adviser, FMB Wealth Management. He receives commissions from Independent Financial Group, LLC for transaction-based sales activities in commissionable products, and he also receives commissions for insurance-related product sales through the individual insurance companies.

Mr. Fields reports directly to Independent Financial Group, LLC solely on clients with commissionable products. You may contact Independent Financial Group, LLC at 858.436.3180.

**James R. Rubin**, Manager

Year of Birth: 1958

Licenses: FINRA Securities License Series 6, 7, 22, 63, and 65

California Life, Health and Disability Insurance licensed

Education: BA, Environmental Design, University of Colorado, 1981

BS, Business Administration, University of Colorado, 1981

Certificate in Financial Planning, Kaplan University, 2012 (Qualified for CFP Exam)

Background: Manager, FMB Wealth Management, 02/2012 - Present

Manager, FMB Retirement Services, 06/2012 – Present

Financial Consultant, Independent Financial Group, 04/2012 – Present

Finance Employee, Ventura Coastal, 12/2010 - 02/2012

Financial Consultant, NRP Financial, Inc., 09/2009 – 11/2010

Financial Consultant, Wells Fargo Investments, 10/2006 – 09/2009

James Rubin does not have any reportable disclosure events.

Mr. Rubin is the manager of FMB Retirement Services, and the firm’s primary contact for

customers.

**Other Business Activities:** Mr. Rubin is a registered representative with Independent Financial Group, LLC and is licensed to sell insurance products. On an infrequent basis, Mr. Rubin may receive commissions from Independent Financial Group, LLC for transaction-based sales activities in commissionable products.

Mr. Rubin reports directly to Independent Financial Group, LLC solely on clients with commissionable products. You may contact Independent Financial Group, LLC at 858.436.3180.

Mr. Rubin may also occasionally receive commissions for insurance-product sales through the individual insurance companies.

**Grant E. Blindbury**, CFP®, Director

Year of Birth: 1979

Designations: CFP® (Certified Financial Planner)

Licenses: Series 7, 66  
California Life, Health and Disability Insurance licensed

Education: BA Business, UCLA, 2001  
CFP® Certified Financial Planning Board of Standards, 2008

Business Rep/Independent Financial Group, 2005 - present

Background: Consultant/FMB Wealth Management, 2001 - present  
(previously known as "Fields Financial Associates, Inc.")  
Director/FMB Retirement Services, 2012 – present

Grant E. Blindbury does not have any reportable disclosure events.

**Other Business Activities:** Grant E. Blindbury is also a registered representative with Independent Financial Group, LLC and is licensed to sell insurance products. He may receive commissions from Independent Financial Group, LLC for transaction-based sales activities in commissionable products, and he also may receive commissions for insurance-related product sales.

Mr. Blindbury receives management fees for providing advisory services through FMB Retirement Services and FMB Wealth Management.

Mr. Blindbury reports directly to Thomas W. Fields and Independent Financial Group, LLC. You may contact Thomas W. Fields at 805.446.4494 or Independent Financial Group, LLC directly at 858.436.3180.

**Evan Z. Miller**, CFP®, Director

Year of Birth: 1979

Designations: CFP® (Certified Financial Planner)

Licenses: Series 7, 66  
California Life, Health and Disability Insurance licensed

Education: BA Business Economics, UCLA, 2001  
CFP® Certified Financial Planning Board of Standards, 2008

Business        Rep/Independent Financial Group, 2005 - present  
Background:    Consultant/FMB Wealth Management, 2001 - present  
                     (previously known as “Fields Financial Associates, Inc.”)  
                     Director/FMB Retirement Services, 2012 – present

Evan Z. Miller does not have any reportable disclosure events.

**Other Business Activities:** Evan Z. Miller is a registered representative with Independent Financial Group, LLC and is also licensed to sell insurance products. He may receive commissions from Independent Financial Group, LLC for transaction-based sales activities in commissionable products, and he also may receive commissions for insurance-related product sales.

Mr. Miller receives management fees for providing advisory services through FMB Retirement Services and FMB Wealth Management.

Mr. Miller reports directly to Thomas W. Fields and Independent Financial Group LLC. You may contact Thomas W. Fields at 805.446.4494 or Independent Financial Group at 858.436.3180.

## **B. ADVISORY SERVICES**

The Employee Retirement Income Security Act of 1974, as amended (ERISA) requires employee benefit plan fiduciaries to act solely in the interests of, and for the exclusive benefit of, plan participants and beneficiaries.

FMBRS provides limited scope fiduciary services in compliance with ERISA § 3(21), full scope 3(21) fiduciary or 3(38) fiduciary for qualified plans and retirement services for Pensions, 401ks and other qualified retirement plan clients. Retirement Services is comprised of Investment Consulting, Advanced Planning and Relationship Management. Investment Consulting incorporates historical portfolio performance analysis, risk evaluations, and asset allocation.

FMBRS provides limited scope fiduciary services in compliance with ERISA § 3(21) as follows:

### **Level I (Limited Scope):**

#### **1. Strategic Planning and Investment Policy Services**

Meet with the Plan Sponsor to assist in developing an Investment Policy Statement (“IPS”). Alternatively, if the Plan has an existing IPS, the IAR will review the existing IPS and assist the Plan Sponsor to determine whether the Plan is performing consistent with the IPS and/or whether the IPS needs to be revised, based on an analysis of the Plan’s liquidity requirements, performance goals, and risk tolerance levels of the Plan, using information provided by the Plan Sponsor.

#### **2. Assessment of Investments**



Conduct an initial and/or periodic annual review of Plan investments and investment options including, without limitation, investment performance, fund expenses and style drift for investments offered by the Plan to participants; provide investment recommendations to the Plan Sponsor from time to time as deemed warranted by IAR for alternative investment options for the Plan to make available to its participants (which decision shall remain the sole and exclusive decision of the Plan Sponsor and/or their delegate).

**Level II (Full Scope): *(Includes All of the Above Plus the Following)***

3. Plan Review

Conduct a review of the Plan design and use best efforts to advise the Plan Sponsor whether the Plan is operating in accordance with Plan documents.

4. Plan Fee and Cost Review

Conduct a periodic annual review, using a third-party tool, of fees and costs charged to Plan by other service providers to assist Plan Sponsor with monitoring the reasonableness of fees and costs paid by the Plan.

5. Third Party Service Provider Liaison

Act as a liaison for the Plan and Plan Sponsor, on an as needed basis, when dealing with the trustee, custodian, plan actuary and other third party services providers to the Plan.

6. Participant Investment Information

The IAR will prepare information regarding allowable contributions and the choice of investments, which the Plan participant may implement at his/her sole discretion. Individual participant investment recommendations are not covered under this agreement.

7. Coordination with Other Consultants

Interact with outside advisors or tax, legal and accounting counsel as necessary and requested by the Plan Sponsor.

8. Participant Education and Communication

Coordinate investment education and enrollment for Plan participants. This does not include IAR performing onsite Plan participant meetings, providing individualized investment advice to Plan participants, or acting in a fiduciary capacity for Plan participants.

FMBRS designs, constructs, and maintains each Model Portfolio and serves as Model Portfolio Manager. FMBRS shall not render any investment advice as to the selection of funds, which decision shall be within the sole discretion of Client. FMBRS shall have the authority and discretion to initially select, add or remove any underlying mutual fund, however, provided that it is from the series selected by client, for purposes of rendering Fiduciary Services. In the event that any mutual fund not listed above shall be utilized for Model Portfolio purposes, FMBRS IAR shall provide Client with a mutual fund prospectus and relevant information about fees and required disclosure items at least sixty days prior to the use of such mutual fund in any Model Portfolio. If Client does not object in writing to the use of such mutual fund in a Model

Portfolio following the sixty day notice period, then Client shall be deemed to have provided consent to the use of such mutual fund.

Model Portfolios are not managed securities but rather asset allocation portfolios utilizing only the underlying mutual funds from the approved series of mutual funds designated by Client. The allocation of asset classes within each Model Portfolio to achieve each strategy shall be based on generally accepted investment theories and modern portfolio theory.

FMBRS shall modify asset allocation within the Model Portfolio based on its professional judgment. FMBRS shall re-balance Model Portfolio at its discretion based on conformance to its investment policy for proprietary investment bands. FMBRS may allow for some deviation from the investment policy (depending on the size of the position) based upon level of deviation of the asset class and other factors.

#### **ERISA Section 3(38) Qualified Default Investment Alternative (“QDIA”) Services:**

FMBRS will provide QDIA management services by creating and managing the Model Portfolio that allocates the assets of individual accounts for participants who are automatically enrolled in the Plan but who fail to make an investment election. The Model Portfolio will be constructed so as to achieve varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures offered through mutual funds as designated above by Client. FMBRS shall diversify, reallocate and rebalance the QDIA Model Portfolio and associated risk levels over time in accordance with generally accepted investment theories.

In providing QDIA Services, FMBRS shall act as an ERISA fiduciary and will serve as an “investment manager” as defined in ERISA Section 3(38) only with respect to the assets of a participant’s account which have been defaulted into the QDIA. The Client retains the sole responsibility to provide notices to participants as required under ERISA Section 404(c)(5).

In providing Fiduciary Services under this Agreement, FMBRS has no responsibility to provide any Fiduciary Services with respect to the following types of assets: employer securities, real estate (but excluding real estate funds ), participant loans, non-publicly traded securities or assets; other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). FMBRS shall have no authority or responsibility to provide Fiduciary Services with respect to voting proxies for securities held by the Plan or take other action related to the exercise of shareholder rights regarding such securities.

FMBRS does not act as, nor will FMBRS agree to assume the duties of, a trustee of the Plan or as Plan Administrator (as such term is defined under ERISA). FMBRS has discretion only with respect to investments in the Model Portfolio but no discretion to interpret the Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration or any other aspect of the Plan. Further, FMBRS does not serve as a custodian for the Plan and does not take custody of Plan assets.

#### **Non-Fiduciary Services:**

FMBRS may coordinate for a suite of services, performed by various non-affiliated service providers, for the management and investment of Plan assets. Clients may select among various

services including investment management services by Agreement, custodial record keeping and third party administration services provided under agreement between Client and respective service providers, and services rendered by Adviser to Clients as agreed among them.

FMBRS may provide other Non-Fiduciary Services as agreed to in writing with Clients.

FMBRS acts as a fiduciary of Plans under Sections 3(21)(A)(i) and 3(38) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and under the Investment Advisers Act of 1940 (the "Act").

In performing any other services from time to time, including Non-Fiduciary Services, FMBRS provides consulting or administrative support to Clients and acts solely as an agent of Clients (whether or not Client is acting as Plan Administrator) and acts solely at the direction of Clients and is not acting as a Fiduciary of the Plan. When FMBRS has been granted discretionary power and authority to act as an investment manager for the Plan, FMBRS may be a fiduciary.

Custody of Plan assets will be maintained with an independent custodian selected by Clients and approved by FMBRS. FMBRS will not have custody of any assets. Client will be solely responsible for paying all fees or charges of the custodian. FMBRS will not have any liability with respect to custodial arrangements or the acts, conduct, or omissions of the chosen custodian. Clients authorize FMBRS to instruct the custodian on Clients' behalf to provide FMBRS and IAR with copies of all periodic statements and other reports that the custodian sends to Clients.

The sole standard of care imposed on FMBRS in performing the Fiduciary Services is to act with the care, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, provided, however, that nothing in the executed Agreement limits any responsibility that FMBRS may have to Client to the extent such limitation would be inconsistent with applicable laws, including securities laws.

FMBRS has not completed, nor will it complete, any independent due diligence, nor investigations. FMBRS relies solely on the facts presented by Clients.

FMBRS uses passively managed index mutual funds and Exchange Traded Funds (ETF's) from various asset classes to achieve diversification. Many of the funds used are from Dimensional Fund Advisors (DFA). These funds are purchased and held at an independent third party discount stock brokerage firm (Charles Schwab or TD Ameritrade) or with a qualified retirement plan custodian.

For participant-directed Defined Contribution pension plans held with qualified custodians, IAR will review and analyze all available investment options.

### **C. CLIENT NEEDS**

IARs conduct initial discovery meetings with each potential advisory client to discuss their financial needs, personal goals, risk tolerance and overall investment objectives in depth. It is beneficial to the client for each client to provide accurate and candid information and promptly

inform their IAR of any material changes in their circumstances as soon as a change occurs so their IAR can re-evaluate their portfolio to see if adjustments to the advisory account portfolio are necessary. Clients may impose restrictions on investing in certain securities or types of securities in most advisory programs.

#### **D. WRAP PROGRAMS**

FMBRS and its associated IARs do not offer or participate in wrap fee programs.

#### **E. CLIENT ASSETS UNDER MANAGEMENT**

FMB Retirement Services is currently under SEC registration application and has no assets under management at this time. However, it is anticipated that within the year the firm should manage approximately \$50,000,000 on a discretionary basis.

### **ITEM 5 – FEES AND COMPENSATION**

#### **A. COMPENSATION FOR ADVISORY SERVICES**

##### **Calculation of Fees:**

In general, FMBRS fees are calculated in four ways:

- Asset-based: expenses are based on the amount of assets in the plan and generally are expressed as percentages or basis points.
- Per-person: expenses are based upon the number of eligible employees or actual participants in the plan.
- Transaction-based: expenses are based on the execution of a particular plan service or transaction.
- Flat rate: fixed charge that does not vary, regardless of plan size. Fees may be calculated using one or any combination of these methods. Plan related expenses can also be charged as one-time fees or ongoing expenses. One-time fees are typically related to start-ups, conversions (moving from one provider to another) and terminations of service. Ongoing fees are recurring expenses relating to continuing plan operation.

Fees charged in the Investment Advisory Agreement are expressed at an annual rate (i.e., the rate used each quarter is a portion of the annual rate based on the number of calendar days in that quarter). The Actual Fee charged may be higher or lower than the cost of similar services offered through FMBRS or other financial advisory firms.

##### **Fee Schedule:**

***Level I (Limited Scope/ERISA Section 3(21) Accounts):***

<u>Assets Under Management</u>	<u>Annual Fee</u>
On the first \$1,000,000	0.50%
On the next \$1,000,000	0.40%
On the next \$3,000,000	0.35%
On the next \$5,000,000	0.30%
On all amounts thereafter	0.25%

***Level II (Full Scope/ERISA Section 3(21) Accounts):***

<u>Assets Under Management</u>	<u>Annual Fee</u>
On the first \$1,000,000	0.70%
On the next \$1,000,000	0.60%
On the next \$3,000,000	0.50%
On the next \$5,000,000	0.35%
On all amounts thereafter	0.25%

A Minimum Annual Fee of \$3,500 applies with either Level I or Level II schedule.

***ERISA Section 3(38) Services Accounts:***

<u>Value of Managed Accts</u>	<u>Quarterly Fee</u>	<u>Annualized Fee</u>
First \$1 million	0.3125%	1.25%
\$1 million to \$2.5 million	0.2500%	1.00%
\$2.5 million to \$5 million	0.2000%	0.80%
\$5 million to \$10 million	0.1750%	0.70%
\$10 million and over	0.1250%	0.50%

Onsite investment education and enrollment for Plan participants is \$1,000 per day. Online investment education and enrollment for Plan participants is no additional cost.

**Billing and Payment Procedures:**

Amounts are calculated based on rates charged, which are identified in the respective FMBRS Investment Advisory Agreement and as applied to relevant information (for example amount of assets or number of participants). Certain calculations may be estimates based on information provided the Client, and may vary as circumstances change. These expenses do not include any Third Party Administrator (TPA) fees which will be billed separately from the TPA firm.

**One Time Start-Up/Conversion Expenses:**

Some accounts may be subject to a one time start-up/conversion expense. Start-up and conversion expenses are based on each individual customized account. Please refer to the FMBRS Investment Advisory Account agreement for any applicable start-up/conversion expense that may apply.

#### **Service Provider Termination Expenses:**

Some accounts may be subject to termination expenses. Some of these expenses may include, but are not necessarily limited to, certain investment product expenses such as: contract termination charges, back-end load, a product termination fee, service provider termination charge, or service contract termination charge. Clients should refer to the applicable FMBRS Investment Advisory Account agreement and/or product offering material for any termination expense that may apply.

### **B. BILLING METHOD**

Fees are payable quarterly in arrears. Payments are due and will be calculated on the last day of each calendar quarter based on the value of the Account assets under management as of the close of business on the last business day of that quarter as valued by the custodian. The first payment will be assessed pro-rata in the event the Agreement is executed at any time other than the first day of the calendar quarter. The payment will be deducted from Clients' accounts based on prior approval from the client as set forth in their specific client service agreement.

### **C. OTHER FEES AND EXPENSES**

No start-up fees are charged. The advisory fees are separate from brokerage transaction fees and other related costs and expenses in non-wrap accounts. Clients may also incur charges imposed by third party custodians, brokers, third party money managers and other third parties. Such fees may include custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund transfer fees and other fees on brokerage accounts and securities transactions. FMBRS and its IARs do not receive any portion of these fees.

Mutual Funds and Exchange Traded Funds (ETFs) charge internal management fees which are disclosed in each of the individual fund's prospectus. Program advisory fees do not include certain charges such as 12b-1 (marketing) fees paid by mutual funds held in client's account, which may be retained by IAR as a registered representative. Notwithstanding the foregoing, no 12b-1 fees may be received by IAR with respect to any assets in a program account of a client which is an employee benefit plan subject to ERISA, an IRA or other account subject to the prohibited transaction rules of the Internal Revenue Code which are substantially the same as ERISA. The 12b-1 fees are included among normal mutual fund expenses and are reflected in the fund prospectus.

### **D. TERMINATION**

Management fees are payable in arrears. If a client terminates before the end of the quarter, no

fee is assessed for that quarter.

## **E. ADDITIONAL COMPENSATION**

IARs may receive commissions or other fees or compensation in relation to securities or insurance products placed through a broker-dealer or agent outside of this account. Additionally, IARs/Supervised Persons registered with FMBRS are also IARs/Supervised Persons with affiliate RIA, FMB Wealth Management, and may receive investment advisory fee compensation from FMB Wealth Management.

**ERISA Accounts:** FMB is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, FMBRS may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. FMBRS credits client accounts subject to ERISA and IRA accounts 12b-1 fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

## **ITEM 6 – PERFORMANCE FEES**

FMBRS does not charge performance based fees or fees based on capital gains or capital appreciation of client assets.

## **ITEM 7 - TYPES OF CLIENTS**

FMBRS provides services to only pension and retirement plan accounts. The minimum initial account size managed by IARs through FMB is \$1,000,000. The minimum account size requirement can be waived by FMBRS.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis:**

We may use one or more of the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when or how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also



a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies:**

We may use one or more of the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriately matched to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Short-term purchases.*** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

***Trading.*** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

### **Risk of Loss:**

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

IARs work with advisory clients to determine appropriate allocation models and overall investment strategies during an initial in-depth discovery meeting. Clients are asked questions related to their values, interests, relationships, goals, current advisors and assets. Clients should discuss their objectives and risk tolerance with their IAR thoroughly. No assumption can be made that any particular strategy will provide better returns than other investment

strategies.

### **Sources of Information:**

To help develop its strategies and recommendations, FMBRS uses commercially available services, specifically financial publications and information services dealing with investment research and taxation. Such information may be obtainable in print, on computer media, via the internet, or via some other electronic means. Company prepared materials (particularly prospectuses) and research releases prepared by others are also utilized. As an investment advisor, FMBRS also has the opportunity to access information from a variety of experts, whether through personal visits, telephone calls, or at industry or related meetings. Independent, third party registered investment advisors may also be employed to provide additional expertise in unique situations.

Before participating in any investment, clients should carefully consider the risks associated with each investment by reviewing the respective prospectus, offering memorandum or disclosure brochure prepared by the issuing company. The various applicable mutual fund, annuity and private fund prospectuses serve as important sources of risk disclosure that should be read carefully. Investing in securities involves risk of loss that clients should be prepared to bear.

The following describes common characteristics of risk associated with specific types of investments that may be recommended by FMBRS in client accounts.

Mutual Funds: Each mutual fund has different risks and rewards. Generally, the higher the potential return, the higher the risk of loss. Investors may have to pay taxes on capital gains distributions received even if the fund goes on to perform poorly after the investor bought shares.

Money Market Funds: Although Money Market Funds have relatively low risks, the NAV may fall below \$1.00 if the fund performs poorly, therefore, losses are possible.

Fixed Income Securities: Fixed income investments tend to be more conservative than stocks, however, clients should be aware that bonds and bond funds do carry some degree of risk including but not limited to interest rate, credit, inflation, pre payment and reinvestment risks.

ETFs: Exchange Traded Funds (ETFs), like stocks and index funds can carry a significant amount of market risk. The appeal of an ETF is that it represents many assets or companies, like an indexed mutual fund, but unlike a mutual fund that prices Net Asset Value on a daily basis, ETFs can be traded at any time during trading hours, like a stock. Investing in ETFs involves volatility and risk of losses that Clients should be prepared to withstand.

DPPs/Private Placements: Direct participation programs typically include limited partnerships, LLCs, and REITS which benefit the investor based on their partial tax shelter. However, these programs also have significant risks associated with them. Direct Participation Programs rely upon the general partner to manage the investment. This type of program is often a blind pool because the investment may not be specifically identified, and as a result you cannot evaluate

the risks of, or potential returns from, the investment. DPP's are highly illiquid and there is no guarantee of a secondary market for the investment. All or a substantial portion of the distributions from this type of investment may be a return of capital and not a return on capital, which will not necessarily be indicative of performance. DPPs are speculative investments which could result in the loss of client's entire investment.

Use of Margin: Securities purchased on margin are used as the account custodian's collateral for the margin loan made to an advisory clients' account. If the securities in an account declines in value, so does the value of the collateral supporting the margin loan, and, as a result, the account custodian can take action, such as issue a margin call and/or sell securities or other assets in any of the accounts held with that custodian firm, in order to maintain the required equity in the account. It is important that Clients fully understand the risks involved in trading securities on margin.

## **ITEM 9 – DISCIPLINARY ACTION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be considered material to clients' or prospective clients' evaluation and/or selection of an Adviser. FMBRS has no disciplinary history applicable to this item.

However, Thomas W. Fields, Principal, President and CCO was notified in November, 2011 that he was a named respondent in a FINRA arbitration claim through his broker-dealer affiliation with Independent Financial Group, LLC. While Mr. Fields is named as a respondent in this proceeding, and FMBRS has reviewed the issues raised and determined that the claims are without merit and not material to a current or future FMBRS client, FMBRS believes that any potentially material disclosure should be made and thereby includes this matter in this Brochure.

Mr. Fields is aggressively defending the false and irresponsible claims made against him. FMBRS firmly believes that Mr. Fields will be successfully dismissed from all claims. The details of this case can be found on FINRA's BrokerCheck system or the Investment Adviser's Public Disclosure site (IAPD). Client's can access IAR disciplinary history by clicking on the BrokerCheck link, which is [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or the IAPD link, which is [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

FMBRS's principal and only business is as a Pension Account Registered Investment Adviser. This business accounts for the entirety of FMB's time. IARs/Supervised Persons are also IARs/Supervised Persons of FMB Wealth Management, FMBRS's affiliated advisor, and are also registered representatives of Independent Financial Group, LLC, a general securities broker-dealer. IARs are also engaged in the insurance business as insurance agents or brokers.

IARs may receive commissions if clients choose to implement recommendations offered

through the broker-dealer or an insurance company. If a client chooses to make a commission-based purchase through Independent Financial Group, LLC (IFG), this may present a conflict of interest to the extent the IAR may have a financial incentive to recommend products and services through IFG in lieu of other financial institutions.

#### **ITEM 11 – CODE OF ETHICS: PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

FMBRS has adopted a Code of Ethics that is designed to comply with the Investment Advisers Act of 1940, SEC Rule 204A-1 and federal securities laws. The Code of Ethics requires certain covered persons, including IARs/Supervised Persons, to adhere to the highest business standards and conduct their affairs with integrity and competence when dealing with the public, clients, prospects and employees. The Code of Ethics outlines acceptable and unacceptable activities for IARs. The Code of Ethics also requires IARs to report personal securities transactions to FMBRS on a quarterly basis and contains guidelines for how client transactions must be given preference over personal transactions by the IAR. A copy of the Code of Ethics is available to clients and prospects upon request by emailing Debra A. Fields at [debbie@fmbwealth.com](mailto:debbie@fmbwealth.com).

FMBRS and its IARs may invest in or otherwise own an interest in the same securities that are recommended to clients. This creates a potential conflict of interest. All IARs are required to place the interests of clients ahead of their own when making personal investments. In addition, FMBRS requires that client transactions be placed before IAR personal transactions. Personal trading by IARs is monitored by FMBRS. IARs may also buy or sell a specific security for their own account based on personal investment considerations, which the IAR does not deem appropriate to buy or sell for clients.

FMBRS does not make a market in any securities and does not buy or sell securities for its own account. No principal transactions with FMBRS shall be effected in the accounts by FMBRS. No agency-cross transactions (as such term is defined in Advisers Act Rule 206(3)-2(b)) for Client transactions will be executed by FMBRS.

#### **ITEM 12 – BROKERAGE PRACTICES**

FMBRS requires the client to appoint TD Ameritrade Institutional or Charles Schwab Institutional as the custodian for their accounts. Trades are not aggregated. Trades are done on an individual basis to ensure proper execution.

#### **ITEM 13 – REVIEW OF ACCOUNTS**

IARs are responsible for reviewing client advisory accounts at least quarterly, and then also for conducting a complete account annual review. Additional triggering events may include responses to client requests, market events or specific target dates. More frequent account reviews may occur as IAR or FMBRS may deem appropriate based on, but not limited to, size or

value of account, portfolio positions or holdings, economic conditions and market conditions.

Clients will receive trade confirmations and periodic account statements from the custodian of their accounts. In addition, clients will receive quarterly portfolio performance reports from FMBRS. IAR may also provide additional reporting services to clients. Clients are encouraged to review and compare the account information (for example, market values, transactions, and advisory fees) in the reports and additional IAR reporting to the account statements received from the custodian.

#### **Individual Portfolio Management:**

*REVIEWS:* While the underlying securities within the advisory accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by FMBRS's Compliance Department.

#### **Third-Party Money Managers:**

*REVIEWS:* Clients who have these accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

#### **Consulting Services:**

*REVIEWS:* While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

FMBRS pays client referral fee compensation to Solicitors according to the specific terms of each individual Solicitor Agreement for client referrals.

### **ITEM 15 - CUSTODY**

FMBRS does not maintain custody of client assets at any time. TD Ameritrade Institutional and Charles Schwab Institutional act as custodians for client assets. TD Ameritrade and Charles Schwab provide clients with monthly account statements and confirmations for each transaction. Clients are encouraged to review and compare the account information in the performance reports and additional IAR reports to the custodial statements.

## **ITEM 16 - INVESTMENT DISCRETION**

IARs have the authority to manage investments on a discretionary basis as set forth in the advisory agreement. FMBRS and the IAR do not have the authority to withdraw funds or take custody of client funds or securities.

Clients may grant IAR discretionary authority to determine the securities and/or amount of securities to be bought or sold as set forth in the account agreement.

## **ITEM 17 – VOTING CLIENT SECURITIES**

As a matter of firm policy, FMBRS and its investment advisory representatives do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Clients retain the right and responsibility to vote all proxies solicited for securities held in their account. FMBRS and its IARs are precluded from voting proxies on behalf of a client, and do not offer any consulting assistance regarding proxy issues to clients.

## **ITEM 18 – FINANCIAL INFORMATION**

Investment Advisers are required to provide certain financial information or disclosures about their financial condition. FMBRS has no financial circumstances to report, and has no financial commitment that would impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy petition or proceeding at any time.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

## **ITEM 19 – PRIVACY POLICY**

Your relationship with FMBRS is based on trust and confidence. To fulfill its responsibilities to you, FMBRS requires that you provide current and accurate financial and personal information. You deserve to expect that FMBRS will protect the information you have provided in a manner that is safe, secure and professional. FMBRS and its employees are committed to protecting your privacy and to safeguarding that information.

**Safeguarding Customer Documents:**

We collect non-public customer data in checklists, forms, in written notations, and in documentation provided to us by our customers for evaluation, registration, licensing or related consulting services. We also create internal lists of such data.

During regular business hours access to customer records is monitored so that only those with approved entitlements may access the files. During hours in which the company is not in operation, the customer records will be secured.

No individual who is not so authorized shall obtain or seek to obtain personal and financial customer information. No individual with authorization to access personal and financial customer information shall share that information in any manner without the specific consent of a firm principal. Failure to observe FMBRS procedures regarding customer and consumer privacy will result in disciplinary action and may include termination.

**Sharing Non-Public Personal and Financial Information:**

FMBRS is committed to the protection and privacy of its customers' and consumers' personal and financial information. FMBRS will not share such information with any non-affiliated third party except:

- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
- When required to maintain or service a customer account;
- To resolve customer disputes or inquiries;
- With persons acting in a fiduciary or representative capacity on behalf of the customer;
- With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
- In connection with a sale or merger of FMBRS's business;
- To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
- To comply with federal, state or local laws, rules and other applicable legal requirements;
- In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
- In any circumstances with the customer's instruction or consent; or
- Pursuant to any other exceptions enumerated in the California Information Privacy Act.

**Opt-Out Provisions:**

It is not a policy of FMB Retirement Services to share non-public personal and financial information with affiliated or unaffiliated third parties except under the circumstances noted above. Since sharing under the circumstances noted above is necessary to service customer accounts or is mandated by law, there are no allowances made for clients to "opt out".

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice. We reserve the right to change this policy at any time and you will be notified if any changes do occur.

If you have any questions after reading this Privacy Policy, please contact us by writing to FMB Retirement Services, 2659 Townsgate Road #246, Westlake Village, CA 91361.

## **FMB RETIREMENT SERVICES**

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