

# **Whitney Retirement Service Group, Inc.**

## **Firm Brochure**

**The date of this Brochure and the information in it is March 31, 2013**

### **Whitney Retirement Service Group, Inc.**

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This Brochure provides information about the qualifications and business practices of Whitney Retirement Service Group, Inc. (in this Brochure, we refer to Whitney Retirement Service Group, Inc. as ***Whitney Group*** or the ***Firm***). If you have any questions about the contents of this Brochure, please contact:

Leslie Ann Whitney, President

(207)-467-3087

[lwhitney@whitgroup.com](mailto:lwhitney@whitgroup.com)

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission, the Maine Securities Division or any other state securities authority.

The Whitney Group is registered as an investment adviser with the State of Maine Division of Securities and the President is registered/licensed as an investment adviser representative of the Firm. Registration does not imply that either the Firm or its agents has/have any certain level of skill or training.

Public information about Whitney Group and its President is available through the website of the United States Securities and Exchange Commission, which may be accessed at:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 - Material Changes**

Whitney Group has reached a level of assets under management that requires it to be registered with the United States Securities and Exchange Commission as an investment adviser. Whitney Group has withdrawn its registration with the state of Maine and registered with the United States Securities and Exchange Commission. Information in this Brochure has been updated to reflect the current level of assets under management and to delete information that was required as a state-registered investment adviser. Other than those changes, Whitney Group has not made any material changes to the information in this Brochure since the Firm last updated its Brochure in March 2012.

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## **Item 4 - Advisory Business**

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

Leslie Whitney is the founder and sole shareholder of Whitney Group, an investment advisory firm based in the State of Maine. Whitney Group was incorporated under the laws of the State of Maine on January 29, 2007 and has been conducting its current business since that date.

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

#### **1. Retirement Plan Services**

Whitney Group's primary business is offering a variety of services (***Retirement Plan Services***) to retirement plans, sponsors or similar organizations (***Retirement Plan Clients***) (see Item 7). Whitney Group's Retirement Plan Services include acting as a pension consultant to Retirement Plan Clients, providing advice to plan sponsors and or plan beneficiaries about the securities that are used to fund the retirement plans, assisting plan participants with evaluating and selecting appropriate funding options under their retirement plans. The following lists the various categories and types of Retirement Plan Services that Whitney Group is able to provide to Retirement Plan Clients:

##### **a. Plan Committee Services**

- review/implement investment policy statement;
- review/implement investment-monitoring process;
- prepare fund summary reports for retirement plan committee meetings;
- prepare agenda and attend retirement plan meetings;
- provide extended review on each fund throughout the year as needed;
- report to the committee, pro-actively, issues that may impact the plan;
- prepare/review reports on participant data ;
- prepare/review reports on service provider's revenue generation and fees;
- benchmark and negotiate competitive plan costs;
- review plan design and services for efficient pricing;
- negotiate improved services, plan credits or interest rates as appropriate;
- provide a detailed request for proposals of market place options.

##### **b. Plan Services Support**

- review plan documents, investment contracts and service contracts;
- provide ongoing screening of administrative tasks and changes;
- monitor appropriate timing of required services and notifications;
- review plan with payroll vendor/department;
- review processes to assist human resource delegation where desired;
- review employee communications strategies;
- review employee communication materials and process.

**c. Employee Communications**

- conduct educational meetings on current retirement topics.

**d. Advice to Participants**

Whitney Group may provide individual advice to plan participants seeking assistance with their investment and retirement alternatives. Such advice may be paid for by the plan sponsor, the plan or the individual receiving advice. Any individual paying for services with their own funds (outside of plan assets) is required to enter into a separate agreement with Whitney Group.

**2. Management Services**

Whitney Group offers to provide asset management services to Clients, which may include one or more of the following services:

- Reviewing the current assets held by a Client, the Client's financial goals and objectives, risk tolerance, financial requirements, any specific or extraordinary needs of the Client and special requests by the Client and based on that review, recommending changes to, additions to or restructuring of the Client's investments.
- Recommending investments or strategies for a Client taking into consideration the Client's current income needs, estate planning, educational funding, retirement planning, short and long-term investment objectives, personal and family situations and any other matters that Whitney Group and the Client deem important.
- Assistance in the implementation of any recommendations primarily through the selection of appropriate mutual fund investments.
- Directing the custodians of Client assets to implement the strategies by purchasing or selling the mutual fund shares, but only with the written or oral consent of the Client to the transactions. Whitney Group does not exercise discretion over Client assets and does not maintain custody of Client assets.
- Providing advice about securities of all types, including equities, fixed income securities, mutual funds, exchange traded funds and other investment company securities.
- Whitney Group does not recommend using margin, options, derivatives or other high-risk strategies.
- Recommending other types of investments, such as real estate and insurance products, where appropriate.

**3. Consulting Services**

Whitney Group offers consulting services based on the specific needs or requests of a Client. Whitney Group offers consulting services on a one-time basis for a single consultation or on a project basis. Consulting services can address a variety of topics, including advice about specific securities, types of securities, the markets, product

design; asset allocation; retirement planning, educational planning, insurance needs or matters relating to a Client's individual needs and goals.

#### **4. Services not Related to Securities**

Whitney Group offers the following services that do not involve advice about securities:

- advice about non-securities products, such as insurance products;
- advice about structuring a retirement plan, such as design or service structure;
- advice about compliance with Department of Labor and Internal Revenue Service regulations,
- assistance with plan participant communication tools, meetings and non-securities related communications;
- participation in pension committee meetings of plan sponsors;
- assistance in structuring and organizing participant meetings;
- assistance with administration of plans;
- participant education and services that do not involve investment advice;
- advice to all types of organizations about administration, communications with members or participants, structuring third party relationships and third party communications.

#### **C. Tailoring Services to Needs of Clients**

The services of Whitney Group are individualized for each of its Clients. Whitney Group enters into a unique agreement with each Client. Each agreement describes which of the above services the Client wants Whitney Group to provide for the Client. As described above, in managing Client assets, Whitney Group tailors all of its recommendations to the specific needs of each Client after reviewing the assets held by a Client, the Client's financial goals and objectives, risk tolerance, financial requirements, any specific or extraordinary needs of the Client and special requests by the Client. Whitney Group also takes into consideration the Client's current income needs, estate planning, educational funding, retirement planning, short and long-term investment objectives, personal and family situations and any other matters that Whitney Group and the Client deem important.

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

Whitney Group does not offer wrap fee programs.

#### **E. Assets under Management**

As of December 31, 2012, Whitney Group had \$382,000,000 in assets under management of which \$381,000,000 were being managed for retirement plans the balance for individual clients. Whitney Group provides all advisory services on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### **A. Fees Charged**

#### **1. Negotiability**

As described above, Whitney Group documents all of its services with a written agreement that describes the services to be provided and the fees to be charged for those services. All fees are negotiable depending on the type of services, the type of Client and the other factors described above in Item 4. Fees for Management Services may be negotiable depending on the size of an account, the relationship of the Client to Whitney Group, the nature of the services to be performed, the number of related accounts being managed, the percentage of Client holdings in fixed income assets and/or the length of time the account has been under management by Whitney Group.

#### **2. Fees for Retirement Plan Services**

##### **a. Fixed Fees**

Whitney Group may provide services for retirement plans, plan sponsors or other similar organizations, for a fixed fee, negotiated on a case-by-case basis. On request, Whitney Group will submit a proposal for a project that includes a description of the project, the proposed services (including both securities- and non-securities-related services) and a proposed fee or fees for that project. The Client must approve the plan and the fee before the project is started. Fees are not paid in advance. Generally, payment is made at the end of the project or during the project at agreed upon intervals.

##### **b. Asset-Based Fees**

Whitney Group may also charge retirement plans, plan sponsors or other similar organizations fees based on a percentage of assets in the plan. Asset-based fees are fixed at the time a contract is signed and apply to all assets in the plan. The fees range from an annual rate of 0.10% to 0.35% of assets in the plan. The actual amount is negotiated based on plan size, the extent of the services Whitney Group will provide, plan complexity and whether the fee is coupled with a retainer.

##### **c. Minimum Fees or Account Size**

Whitney Group does not impose any minimum fees or minimum size for providing plan services; however, Whitney Group may decline to accept a project if Whitney Group does not believe it will have the resources to carry out the project, if it believes the project could result in a potential or perceived conflict of interest or for any reason it deems appropriate.



### **3. Fees for Management Services**

Whitney Group charges the following fees for asset management for Clients that are not Retirement Plans:

#### **a. Asset-Based Fees**

For Management Services, Whitney Group charges Clients the following percentages of the value of the assets under management by Whitney Group:

- |   |  |                |
|---|--|----------------|
| - | First \$250,000 of assets              | 1.0% annually  |
| - | Assets between \$250,001 and \$750,000 | 0.5% annually  |
| - | Assets over \$ 750,000                 | 0.25% annually |

#### **b. Minimum Fees**

Whitney Group will not accept accounts for management services that are less than \$150,000. If an account drops below the minimum due to market fluctuations, the account will not be closed; however if the account drops below the minimum due to Client withdrawals, Whitney Group reserves the right to close the account and terminate its services.

#### **c. Determination of Value for Asset-Based Fees**

For purposes of calculating asset-based fees, Whitney Group determines the value of the assets based on the fair market value of securities in the account as of the last day of the preceding quarter. Whitney Group determines the value of the securities based on prices provided by the account custodian or other sources that Whitney Group deems reliable. If a Client invests using margin, fees are based on the gross market value of the securities in the account without consideration of any liabilities against those securities.

#### **d. Services for Retirement Plan Participants**

If Whitney Group provides management services to individuals who are participants in a retirement plan for which Whitney Group provides Retirement Plan Services, Whitney Group will not include assets held by the participant in the retirement plan in calculating the value of the Client's assets for purposes of its fees. Whitney Group will take those assets into consideration in developing recommendations and strategies for the Client, but will not charge fees on those assets.

### **4. Fees for Consulting Services**

Fees for Consulting Services range from \$150.00 to \$300.00 per hour, depending on the complexity of the request, the type of service being provided and whether the project is in connection with other projects for the same or a related Client. Fees are negotiated at the time a contract is signed with the Client. Hourly fees are due and payable as the services

are provided. Short-term projects are billed at the end of the project. Longer-term projects may be billed at weekly or monthly intervals. For very large complex projects, Whitney Group may require the payment of a retainer in advance. There are no minimum fees for Consulting Services.

## **5. Payment of Fees**

All asset based fees are payable quarterly within 30 days following the last day of the quarter. If a nonretirement plan Client consents, asset-based fees may be paid by deduction from the assets being managed. Plan fees may be paid by the Sponsor or directed to be paid from Plan Credit or Forfeiture Accounts as long as services are appropriate plan services. All fees attributable to settlor expenses will be billed separately and paid by the Sponsor directly.

### **B. Source of Fees**

Whitney Group generally bills Clients for the fees as described above. If both the Client and Whitney Group agree, the fees due to Whitney Group may be deducted from Client assets and paid to Whitney Group by the custodian of the assets. In that case, the custodian of the assets must provide quarterly reports to the Client indicating the amount of fees deducted from the account that are payable to Whitney Group and how the fees were calculated.

### **C. Other Fees Paid by Clients**

#### **1. Service Fees**

Whitney Group reserves the right to charge fees for services it may provide that are in addition to the ordinary services involved in managing a Client's account. For example, Whitney Group may charge extra for providing additional copies of account statements or providing statements at other times than those ordinarily provided to Clients.

#### **2. Investments in Mutual Funds**

Clients investing in securities of investment companies, such as mutual funds should be aware that funds charge management and administration fees to their shareholders. Those fees are charged to shareholders in the funds on a *prorata* basis and are in addition to the fees charged by Whitney Group.

#### **3. Brokerage and other Costs**

The fees of Whitney Group are in addition to transaction costs, custodial costs or other costs that are charged by the fund companies holding mutual fund shares or by other custodians, such as broker-dealers who hold Client assets. Clients are responsible for paying all such fees and costs incurred in connection with implementing any strategies that Whitney Group recommends in managing Client assets. See Item 12. Under certain circumstances, Whitney Group may cover trading costs charged by custodians for Clients of Whitney Group.

#### **D. Advance Payments and Refunds**

Whitney Group collects payment for retainers in advance and may collect payments under certain consulting contracts or contracts with Retirement Plan Clients in advance. Under no circumstances does Whitney Group accept more than \$500.00 in fees, payable more than six (6) months in advance. In the event any arrangement with a Client ends before Whitney Group has earned the full amount that has been paid in advance, Whitney Group will prorate its fees based on:

- ó the percentage of work it has provided in the contract was for a fixed fee projects;
- ó the number of hours spent if the project involved hourly charges;
- ó the number of days during the period that Whitney Group provided services if the contract involved ongoing management, consultation or advice for fees paid over a period of time, such as a yearly retainer or quarterly management fees.

When the contract ends, Whitney Group will deduct payment from the fees collected in advance for the services it has provided as described above, and will refund the balance to the Client within 30 days after the date the contract ends.

#### **E. Compensation for Sales of Securities**

Whitney Group is not involved in the sale of securities and does not receive any compensation for the sale of securities. Clients are charged by the broker-dealers executing transactions for the costs of sales compensation.

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

Whitney Group does not charge fees for management services that are based on a share of capital gains on, or capital appreciation of the assets of a Client (*performance-based fees*).

### **Item 7 - Types of Clients**

Whitney Group offers the Retirement Plan Services described in Item 4 primarily to retirement plan sponsors, plan beneficiaries and nonprofit organizations or associations. Whitney Group offers advisory and consulting services to a variety of different types of Clients, including individuals, organizations and trusts.

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

#### **A. Methods of Analysis and Investment Strategies**

Whitney Group's methods of analysis include fundamental analysis and technical analysis. The main sources of information used by Whitney Group are: mutual fund data bases; financial newspapers and magazines; on-line information, research materials prepared by others; corporate

rating services; annual reports, prospectuses, filings with the Securities and Exchange Commission; and company press releases.

Whitney Group may enter into arrangements with third parties from time to time to provide some or all of its responsibilities under its contracts with Clients, including research information about securities it reviews or recommends. Whitney Group understands that it remains primarily responsible for those obligations whether or not it has relied on the services of third parties. All arrangements between Whitney Group and third party service providers will be documented by a written agreement with each third party, assuring that the third party is in compliance with all applicable securities laws, that it has procedures in place to protect the privacy of nonpublic personal information of current, former and prospective Clients, that the third party has a Business Continuity Plan reasonably designed to protect the interests of Clients in the event of a disaster and that, if applicable, the third party will comply with the Brochure disclosure requirements of applicable securities laws.

## **B. Risks of Strategies Used**

Whitney Group primarily focuses on investments in mutual funds, long-term investment strategies and asset allocation across distinct asset classes to minimize risk. All investments are subject to market risks, interest rate risks, liquidity risks, other risks related to the type of industry involved and/or other risks of investments. The strategies employed by Whitney Group do not involve frequent trading, margin, options or other strategies that can increase risk.

## **C. Risks of Securities**

Whitney Group recommends primarily mutual fund investments and uses asset allocation strategies, to diversify and assist in minimizing risk. Investments in mutual funds allow investors to invest in a larger number of securities, but may increase costs of such investments due to the payment of fees and expenses to the manager of the mutual fund assets.

# **Item 9 - Disciplinary Information**

Neither Whitney Group nor Ms. Leslie Whitney (the only person having the power, directly or indirectly, to exercise a controlling influence over the management of Whitney Group) has been involved in any material legal or disciplinary proceedings that regulatory authorities consider material to an evaluation of Whitney Group by Clients or prospective Clients. Regulatory authorities consider the following types of matters to be material:

## **A. Criminal or Civil Actions**

1. Conviction of a crime;
2. pleading guilty, nolo contendere, or no contest in any criminal proceeding;
3. being named in a currently pending criminal action;
4. having been found to have violated any investment-related statute or regulation;  
or

5. being named in any order, judgment or decree permanently or temporarily enjoining, or otherwise limiting, the person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

## **B. Administrative Proceedings**

Administrative proceedings before the U.S. Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority in which the person was:

1. found to have caused an investment-related business to lose its authorization to do business; or
2. found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - a. denying, suspending, or revoking the person's authority to act in an investment-related business;
  - b. barring or suspending the person from association with an investment-related business;
  - c. otherwise significantly limiting the person's investment-related activities; or
  - d. imposing a civil monetary penalty.

## **C. Action by Self-Regulatory Organizations**

Any proceeding before any self-regulatory organization, such as the Financial Industry Regulatory Authority, in which a person was:

1. found to have caused an investment-related business to lose its authorization to do business; or
2. found to have been involved in a violation of the organization's rules and was:
  - a. barred or suspended from membership or from association with other members, or was expelled from membership; or
  - b. otherwise significantly limited from investment-related activities; or
  - c. subject to a monetary fine.

#### **D. Additional Information**

You may confirm the above statements and/or review any other public information about Whitney Group, its President or any other investment adviser or management persons, by accessing the website of the United States Securities and Exchange Commission at:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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

#### **A. Broker-Dealer Registration**

Whitney Group is not registered as a broker-dealer and has not applied to be registered as a broker dealer.

#### **B. Futures and Commodities Registration**

Neither Whitney Group nor any Management Person is registered or has applied to be registered as a futures commission merchant commodity pool operator, a commodity trading advisor, or an associated person of any of those entities.

#### **C. Arrangements with Related Persons**

Leslie Whitney is licensed as an insurance agent. She does not receive any commissions on the sale of insurance products; however, she maintains the license so that she is able to discuss insurance products with Clients when providing advice about insurance. Other than Ms. Whitney's insurance license, neither Whitney Group nor any Management Person has any relationship or arrangement that is material to the Firm's advisory business or to its Clients with any officers, directors, controlling persons, persons controlled by the Firm and employees (*advisory affiliates*) or any person under common control with the Firm (collectively with advisory affiliates, *related person*).

#### **D. Recommendation of Investment Advisers**

Whitney Group does not receive compensation from advisers, directly or indirectly, for recommending those advisers to Clients.

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

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

Whitney Group has adopted a Code of Ethics that governs the activities of its associated persons. The Code is intended to prevent insider trading and to avoid conflicts with the interests of the Firm's Clients. Under the Code, Whitney Group prohibits all associated persons from having any personal interest in a securities transaction if the transaction would cause a conflict or if the transaction appears to be based on inside information. The Code requires that all personal transactions by associated persons be reviewed to assure that associated persons are not trading

in conflict with Client transactions. Whitney Group will prohibit or restrict trading by associated persons in securities that would involve conflicts or would be based on inside information. Any interested person may obtain a copy of the Firm's Code of Ethics by contacting the President of the Firm at the address listed on the cover of this Brochure.

#### **B. Conflicts in Transactions in Securities**

Whitney Group does not recommend, buy or sell for Clients any securities in which Whitney Group or any related person has a material financial interest, except that Whitney Group or a related person may invest in the same securities as Clients. See subsection C, below.

#### **C. Conflicts in Investments in Securities**

On occasion, Whitney Group or a related person may invest in the same securities (or related securities) that Whitney Group recommends to Clients. Under the Firm's Code of Ethics, Whitney Group must place all orders for Clients before placing any orders for the Firm or a related person to avoid conflicts.

#### **D. Conflicts in Contemporaneous Transactions**

The Code generally prohibits Whitney Group or any associated persons from buying or selling a security at the same time as a Client. The Code also prohibits Whitney Group or any related person from simultaneously buying a security while Whitney Group recommends that a Client sell the same security or from simultaneously selling a security while Whitney Group recommends that a Client purchase the security.

### **Item 12 - Brokerage Practices**

#### **A. Recommending Broker-Dealers**

Whitney Group does not have discretion to execute transactions for Clients and therefore does not select broker-dealers for Client transactions. Whitney Group generally recommends that Clients invest in mutual funds. Transactions in mutual funds are generally executed by the underwriter or distributor for the fund. If Whitney Group manages other types of securities for Clients, Whitney Group may recommend broker-dealers to act as custodians of those assets, in which case all brokerage transactions are usually executed through that broker-dealer. Clients are not required to use broker-dealers recommended by Whitney Group and may select other broker-dealers to hold their assets and/or to execute their securities transactions. Currently, Whitney Group recommends Shareholder Service Group or Charles Schwab & Co., Inc. as broker-dealers. Generally, all transactions for Clients are executed through the broker-dealer that maintains custody of the security, unless that broker-dealer is unable to execute the trade. In that event, Whitney Group uses a broker-dealer to execute the trade that Whitney Group believes will provide the best execution for the Client.

##### **1. Research and Other Soft Dollar Benefits**

Whitney Group does not receive any commissions, trading fees or services from any broker-dealers in connection with Client transactions. Both Shareholder Services and

Schwab provide numerous web postings and webcasts for Clients on economic outlooks and compliance at no additional charge. Whitney Group may take advantage of these free services.

## **2. Brokerage for Client Referrals**

Whitney Group does not take into consideration referrals from a broker or third party in recommending broker-dealers to Clients. Whitney Group does not receive referrals from any party that would be related to the selection of that broker-dealer for execution of Client transactions.

## **3. Directed Brokerage**

See the response to Section A, above.

Whitney Group attempts to negotiate commissions and other fees to be paid to broker-dealer firms for Client transactions, except where the Client has directed that a specific broker-dealer be used to handle transactions. For those Clients, the brokerage commissions are negotiated by the Client. Commissions charged for sales of mutual fund shares are not negotiable. Whitney Group reviews the commission rates charged to its Clients at least annually.

Whitney Group seeks to select firms that will provide the best service or *best execution* for each transaction. Whitney Group defines *best execution* as the execution of a securities transaction in a way that, when all aspects are considered, provides the best value to the Client for the transaction under the circumstances. To evaluate *best execution* Whitney Group takes into consideration the range and quality of the broker's services, the value to Whitney Group and its Clients of research provided by the broker, the broker's ability to execute transactions, the commission rates the broker will charge, the financial responsibility of the broker and the broker's responsiveness to Whitney Group. Whitney Group does not accept any research that consists of equipment, data or other services provided by a broker from a third party (also known as *soft dollars*). Whitney Group may receive research from a broker or custodian that is developed by the broker or custodian for its customers.

## **B. Aggregation and Bunching of Orders**

Whitney Group makes investment decisions independently for each Client based on that Client's assets and objectives. In some circumstances, usually only with non-investment company securities, Clients may benefit by having their orders combined (bunched or aggregated) with orders from other Clients through payment of lower commissions or more efficient execution. Whitney Group will bunch trades for different Clients when placing an order with a broker-dealer if Whitney Group believes such aggregation is in the best interests of each Client. Whitney Group. Since Whitney Group generally recommends investment company securities, it is only under very limited circumstances that Whitney Group has the opportunity to aggregate or bunch orders.



## **Item 13 - Review of Accounts**

### **A. Regular Review**

Leslie Whitney, the President of Whitney Group, is responsible for reviewing all accounts being managed or serviced by the Firm. All Retirement and Individual Accounts for which Whitney Group is providing advice on a regular basis are reviewed at least quarterly.

### **B. Factors Triggering Extra Reviews**

Accounts will be reviewed more often, if Whitney Group believes it is advisable to do so based on changes in the economic environment, financial markets, Client circumstances or other factors considered relevant by Whitney Group. Whitney Group also provides individuals with advice on a consulting basis. Whitney Group reviews accounts for those Clients only as requested by the Client.

### **C. Reports**

For Retirement Plan Clients, Whitney Group arranges for reports about the investments used to fund the plan to be sent directly from the custodian to the Retirement Plan Client with a copy to Whitney Group. Those reports are required at least once each quarter. Reports will include a summary of activity in the investments and details of all transactions during the preceding period, including the amount of any fees deducted from the assets.

For accounts managed by Whitney Group, the Firm arranges for custodians of the assets to provide reports directly to the Client with copies to Whitney Group at least quarterly. If the custodian is unable to provide the reports quarterly, Whitney Group will provide the reports itself or will make arrangements for reports to be provided by a third party service provider. Reports will include a list of all account holdings and details of all transactions during the preceding period. If fees are deducted from the account, the reports will describe the fees and how they were calculated.

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

### **A. Economic Benefits for Providing Advice**

No third party who is not a Client of Whitney Group provides any economic benefit to Whitney Group for providing its services.

### **B. Payment for Referrals**

Neither Whitney Group nor any related person pays any third party to refer business to Whitney Group.

### **Item 15 - Custody**

Whitney Group does not maintain custody of Client assets and does not have discretion to execute transactions for Clients without receiving written or verbal approval of the proposed transactions from the Client.

### **Item 16 - Investment Discretion**

Whitney Group does not exercise discretion over any Client accounts.

### **Item 17 - Voting Client Securities**

Whitney Group does not maintain custody or control of Client assets. All Clients receive proxies and vote proxies directly or through the custodian of their assets.

### **Item 18 - Financial Information**

Whitney Group is not required to provide financial statements.

#### **A. Prepayment of Fees**

Whitney Group does not require prepayment of more than \$500 in fees per Client, more than six months in advance.

#### **B. Discretionary Authority/Custody**

Whitney Group does not have discretionary authority over, or custody of Client funds.

#### **C. Bankruptcy**

Whitney Group has not been subject to a bankruptcy petition at any time during the past ten years.