

# **bloom Incorporated**

**11512 W. 119<sup>th</sup> Street, Suite Z**

**Overland Park Kansas 66213**

**888-446-8416**

**September 12, 2013**

This Brochure provides information about the qualifications and business practices of bloom Incorporated d/b/a/ Bloom.com. If you have any questions about the contents of this Brochure, please contact us at 888-446-8416 or via email at [bloominfo@bloom.com](mailto:bloominfo@bloom.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

bloom Incorporated d/b/a/ Bloom.com (bloom) is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about bloom is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

---

This is a new adviser as of 2013.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure with the SEC. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting Robert O'Blennis our Chief Compliance Officer at 888-446-8416.

Additional information about bloom is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for bloom is 168604. The SEC's web site also provides information about any persons affiliated with bloom who are registered, or are required to be registered, as Investment Adviser Representatives of bloom.

## Item 3 – Table of Contents

---

<b>Item 2 – Material Changes</b>	<b>2</b>
<b>Item 3 – Table of Contents</b>	<b>3</b>
<b>Item 4 – Advisory Business Introduction</b>	<b>5</b>
Services	5
1. Online Employer Sponsored Retirement Account (ESRA) Asset Management Services	6
2. Outside Account Consolidation and Management Services	7
3. Other Services	7
<b>Item 5 – Fees and Compensation</b>	<b>8</b>
1. Online Employer Sponsored Retirement Account (ESRA) Asset Management Fee Schedule	8
2. Online Account Consolidation and Management Fees	9
3. Other Services Fees	9
<b>Item 6 – Performance Based Fee and Side by Side Management</b>	<b>9</b>
<b>Item 7 – Types of Client(s)</b>	<b>9</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</b>	<b>10</b>
1. Targeted Asset Allocation	10
2. Risks	11
<b>Item 9 – Disciplinary Information</b>	<b>13</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations</b>	<b>13</b>
1. Broker-Dealer Relationship	13
2. Futures Relationship	13
3. Insurance Agent	13
4. RIA Relationship	13
<b>Item 11 – Code of Ethics, Participation or Interest in Client Accounts and Personal Trading</b>	<b>14</b>
1. General Information	14
2. Participation or Interest in Client Accounts	14
3. Personal Trading	14
4. Privacy Statement	15
<b>Item 12 – Brokerage Practices</b>	<b>15</b>
1. Soft Dollars	15
2. Best Execution	15
3. Brokerage for Client Referrals	16
4. Directed Brokerage	16
5. Trading	16

<b>Item 13 – Review of Accounts.....</b>	<b>16</b>
1.    Reviews.....	16
2.    Reports .....	16
<b>Item 14 – Client Referrals and Other Compensation .....</b>	<b>17</b>
<b>Item 15 – Custody .....</b>	<b>17</b>
<b>Item 16 – Investment Discretion.....</b>	<b>18</b>
<b>Item 17 – Voting Client Securities .....</b>	<b>18</b>
<b>Item 18 – Financial Information .....</b>	<b>18</b>

## Item 4 – Advisory Business Introduction

---

bloom Incorporated d/b/a/ Bloom.com (“bloom”) is a Registered Investment Adviser (“Adviser”) which offers investment advice, and Employer Sponsored Retirement Account (ESRA) portfolio management services through an online web-based application for our clients. We are registered through and regulated by the United States Securities and Exchange Commission (“SEC”).

We provide investment advice through Investment Adviser Representatives (“Advisor”) associated with us. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf. In addition, all advisors are required to have commensurate education and industry experience.

bloom Incorporated was founded in 2013 by Chris Costello who serves as a Managing Member and Investment Advisor and owns 30% of the firm, Randy Auf Der Heide who serves as Managing Member and Chief Technology Officer and owns 30% of the firm, and Kevin M. Conard Managing Member and Investment Advisor and owns 30% of the firm. The other 10% of the firm’s outstanding shares is in reserve treasury stock. Robert O’Blennis will serve as the Chief Compliance Officer.

bloom Incorporated is related through ownership to The Retirement Planning Group, Inc. We share facilities and some employees with The Retirement Planning Group, Inc.

We provide ESRA portfolio management services to individuals. We are committed to the precept that by placing the client’s interests first, we will add value to the asset management process and earn the client’s trust and respect. We value long term relationships with our clients whom we regard as strategic partners in our business.

### Services

We provide online web-based ESRA portfolio management services to individuals who have traditionally managed their own 401(k)’s, 403(b)’s, 457’s and other Employer Sponsored Retirement Accounts (ESRA) with no dedicated advisor assistance. We also provide online web-based services to assist clients with rolling over their ESRA’s into IRAs to consolidate their retirement assets into one account for better efficiencies. We will also manage these assets on an ongoing basis through our relationship with Charles Schwab & Co., Inc. (Schwab). Our focus is on helping you develop and execute plans that are designed to build and preserve your wealth during the accumulation phase of your life as well as provide income during the distribution phase for your retirement.

As of July 15, 2013, we do not have any assets under management. We provided services on both a discretionary and non-discretionary basis. If you have given us the authority to manage your account on a discretionary basis, this means you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account

- Broker-dealer to be used for a purchase or sale of securities for your account
- Commission rates to be paid to a broker or dealer for your securities transaction.

If you have not given us the authority to manage your account on a discretionary basis, then we cannot trade in your account without your express permission.

Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur on the schedule we have determined together. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice.

## **1. Online Employer Sponsored Retirement Account (ESRA) Asset Management Services**

Asset management is the professional management of securities (stocks, bonds, mutual funds, ETF's and other securities) and assets (e.g., real estate) in order to meet your specified investment goals. With our ESRA Asset Management Services, you will use our web-based software application to assist you in developing a personalized asset allocation program designed to meet your unique investment objectives. The investments in the portfolio account may include mutual funds, stocks, bonds, etc. depending upon the options available through your employer sponsored 401(k), 403(b), or 457 Plans as well as other employer sponsored Plans. You will input information into the system such as your current age and desired retirement age. Based on the information you input, the software will recommend an appropriate asset allocation. Our recommendations and ongoing management are based upon your current age, desired retirement age, investment goals and objectives, risk tolerance, and the investment portfolio you have selected. If you decide to implement the recommendations you receive through the software, we will, with your express permission, place all the necessary trades to establish your asset allocation within your ESRA. We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary.

The software will:

- Review your present account allocation
- Monitor and track assets under management
- Advise on asset selection
- Determine market divisions through asset allocation models
- Provide research and information on performance and fund management changes
- Assist you in setting and monitoring goals and objectives

You are obligated to enter any new information into the web-based application promptly when your financial situation, goals, objectives, or needs change. In addition, should you decide to make a change

to your existing allocation, you may do so through the web-based allocation and we will make the changes for you within 10 business days once notified.

If you elect to use our online services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure.

In establishing your asset allocation, certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results. We cannot guarantee the results of any of our recommendations. Choosing which advice to follow is your decision.

## **2. Outside Account Consolidation and Management Services**

We provide online web-based services to assist clients with rolling over their former employer 401(k)'s, 403(b)'s, 457 Plans, and other outside investment accounts to consolidate their retirement assets into one account for better efficiencies. We will build out asset allocations to manage these accounts using models of Exchange Traded Funds (ETFs) available through Schwab. Schwab has over one hundred low cost ETFs we can use to create the appropriate asset allocation for you. We will also manage these assets on an ongoing basis through our relationship with Schwab. Clients will initiate this process through our web-based application.

Clients must enter into a separate custodial agreement with Schwab. This agreement, among other things, authorizes the custodian to take instructions from us regarding all investment decisions for your account. If you elect to have us manage your account on a discretionary basis, we will select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The custodian will effect transactions, deliver securities, make payments and follow our instructions subject to any authority you have given to us. You are notified of any purchases or sales through trade confirmations and statements that are provided by the custodian. These statements list the total value of the account at the start of the time period, itemize all transaction activity during the time period, and list the types, amounts, and total value of securities held as of the end of the time period. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

We may be available during normal business hours through online chat capabilities, email, and telephone to answer your questions.

## **3. Other Services**

We may recommend and sell life, disability, health, and long term care insurance. We will receive the usual and customary commissions associated with these sales from the insurance company. You will pay a separate fee for these and your advisory fee will not be reduced by any payments we receive from these sales.

## Item 5 – Fees and Compensation

---

We provide online ESRA asset management and consolidation services for a fee. Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge.

You could invest in a mutual fund or ETF directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which mutual fund, funds or ETF's are most appropriate to your financial condition and objectives.

Our Advisory Agreement defines what fees are charged and their frequency. We usually bill fees in advance on a monthly or quarterly basis.

### **1. Online Employer Sponsored Retirement Account (ESRA) Asset Management Fee Schedule**

There is no minimum account size required. The fee for this level of service is \$10.00 per month and is paid monthly in advance through credit card, debit card or direct debit from checking or savings account. This fee includes initial reallocation, and quarterly rebalancing of your account. Clients will sign up for a one year contract that is automatically renewable after the one year anniversary unless a cancellation notice is received from the client. Clients may terminate their contracts at any time including within the initial one year period. All terminations must be sent through the web-based application that all online clients use to control their accounts. Upon termination of any account, any prepaid fees that are in excess of the management services performed will be promptly refunded to you. Any fees that are due, but have not been paid, will be billed to you and are due immediately. No increase in the annual fee shall be effective without prior written notification to you. We believe our fee is reasonable considering the fees charged by other investment advisers offering similar services/programs. We will provide our services at no fee for ESRA balances under \$5,000.

In certain circumstances, advisory fees and account minimums may be negotiable based upon prior relationships as well as related account holdings.

Certain strategies offered by us may involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. The 12(b)(1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund's prospectus.



## **2. Online Account Consolidation and Management Fees**

There is no minimum account size required for this level of service. The fee for Online ESRA Consolidation and management is 0.04% per month and is paid monthly in advance through direct debit from account. The minimum charge for this service will be \$4.00 per month per account. In certain circumstances, advisory fees may be negotiable based upon prior relationships as well as related account holdings.

You will authorize the custodian to directly debit fees from your account held at the custodian and to pay us. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of small inconsequential contributions and withdrawals). You will be provided with a quarterly statement reflecting deduction of the advisory fees.

The contract for these online services is a one year contract and is automatically renewed after the expiration of the one year contract if no notice of termination is received from the Client. IN ALL CASES, either party may terminate the relationship, for any reason, and any prepaid fees that are in excess of the services performed will be promptly refunded to the Client.

No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs.

## **3. Other Services Fees**

We may receive compensation from the sale of insurance products recommended to you. This compensation would be in addition to the advisory fees you pay. The fees and expenses you pay for the purchase of these products may be more or less than the expenses you would pay should you decide to purchase them through another investment advisory firm or broker-dealer and are typically determined by the broker-dealer or investment company sponsoring the product. Therefore, a conflict of interest may exist between our interests and your interests since we may recommend products that pay us commissions. We may have an incentive to recommend particular products based upon the potential commissions rather than your needs. This potential conflict is addressed in our Code of Ethics.

## **Item 6 – Performance Based Fee and Side by Side Management**

---

We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 – Types of Client(s)**

---

We provide ESRA portfolio management services to individuals who have traditionally managed their own 401(k)'s, 403(b)'s, 457 Plans and other Employer Sponsored Retirement Accounts with no dedicated advisor assistance. Our typical client will be between the ages of 22 to 45.

We have no minimum account opening balance requirement.

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

---

Our investment strategy for our online ESRA clients involves the selection of mutual funds and exchange-traded funds (ETFs) for our Clients' portfolio based upon the parameters of their employer sponsored retirement plan(s). This is done using various means of research which is available through our web-based application. We primarily use well-diversified portfolios of an allocation designed to be in line with Client's expressed capacity for risk given the options available in their ESRA. We attempt to primarily use indexed mutual funds and ETFs when available within the ESRA fund menu.

Our approach does not include frequent trading of securities (i.e. day trading).

Important Note: It is your responsibility to promptly inform us through the web-based application of any material changes to your financial situation or if your portfolio allocation does not match your risk tolerance.

We also use ETFs available through Schwab to create a diversified portfolio of holdings for our clients who consolidate their old ESRA, IRAs, and other outside investment accounts at Schwab. The implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

### **1. Targeted Asset Allocation**

We combine several strategies to determine asset allocation strategies which may cover everything from conservative income to very aggressive growth oriented approaches. We use passively managed ETFs. We will assign you a targeted portfolio that meets your goals and time horizon, while addressing the level of risk you are comfortable assuming. The strategic recommended portfolio allocation will change as you approach your desired retirement age; however your specific portfolio model may change to reflect shifts in your risk tolerance and goals. We screen and select funds and securities to be added to or removed from the portfolio on a regular basis. Rebalancing review usually occurs nightly.

In order to perform this type of analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Research materials prepared by others
- Company press releases
- Corporate rating services
- Company websites
- Inspections of corporate activities.

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases - securities held at least a year
- Short term purchases - securities sold within a year

## **2. Risks**

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance. For a more comprehensive description of all the risks associated with our strategies, methodology, and products please refer to the glossary under Risks.

A list of all risks associated with the strategies, products and methodology we offer are listed below:

### **1. Bond Fund Risk**

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- **Call Risk** - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Credit Risk** — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- **Interest Rate Risk** — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- **Prepayment Risk** — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

### **2. Mutual Funds Risk**

The following is a list of some general risks associated with investing in mutual funds.

- **Country Risk** - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.

- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk** - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- **Industry Risk** - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- **Manager Risk** -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

### 3. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

### 4. Stock Fund Risk

Although a stock fund's value can rise and fall quickly over the short term, historically stocks have performed better over the long term than other types of investments — including corporate bonds, government bonds, and treasury securities.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

## Item 9 – Disciplinary Information

---

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We do not have any information to disclose about bloom or any of our investment advisors. We adhere to high ethical standards for all advisors and associates. We strive to do what is in your best interests.

## Item 10 – Other Financial Industry Activities and Affiliations

---

Neither bloom nor any of its investment adviser representatives participate in other business activities or has any outside affiliations at this time other than those disclosed below.

### 1. Broker-Dealer Relationship

Our firm is not registered as a broker-dealer or as a registered representative of a broker-dealer. We have no affiliation with any broker-dealer. We are independently owned and operated and are not affiliated with Charles Schwab & Co. Inc.

### 2. Futures Relationship

We have no advisors registered or active in any futures capacity.

### 3. Insurance Agent

Chris Costello and Kevin M. Conard are licensed insurance agents/brokers with various companies. In their role as insurance agents/brokers, they may offer commissionable (non-variable) insurance products to you for which they may receive compensation from insurance companies. They may recommend and sell life, health, and long-term care insurance and will receive the usual and customary commissions. The sale of these products currently accounts for approximately 1% of their time.

When such recommendations or sales are made, a conflict of interest exists as the Insurance licensed Investment Adviser Reps earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all Investment Adviser Reps disclose this conflict of interest when such recommendations are made. Also, we require Investment Adviser Reps to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with us.

### 4. RIA Relationship

Chris Costello and Kevin M. Conard are also Investment Advisor Representatives with The Retirement Planning Group, Inc. a separate SEC Registered Investment Advisor.

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

---

## **1. General Information**

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

## **2. Participation or Interest in Client Accounts**

Our Compliance policies and procedures prohibit anyone associated with bloom from having an interest in a client account or participating in the profits of a client's account without the approval of the CCO. The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices

You may request a copy of the firm's Code of Ethics by contacting bloom.

## **3. Personal Trading**

We may recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records as required.

In addition, open-end mutual funds and/or investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value. Therefore, purchases of mutual funds and/or variable insurance products by an advisor are not likely to have an impact on the prices of the fund in which you invest. These types of transactions are not prohibited by our policies and procedures.

We have established the following restrictions in order to ensure our fiduciary responsibilities to you are met and to abide by all Insider Trading regulations:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of Investment Advisory Representative(s) of bloom, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.
- We emphasize your unrestricted right to decline to implement any advice rendered.

#### **4. Privacy Statement**

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

## **Item 12 – Brokerage Practices**

---

### **1. Soft Dollars**

Schwab may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). These research products and/or services will assist the Advisor in its investment decision making process. Such research generally will be used to service all of the Advisor's clients, but brokerage commissions paid by the client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where the Advisor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

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

Other services may include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom we may contract directly. We may receive seminar expense reimbursements from product sponsors which may be based on the sales of products to their clients.

### **2. Best Execution**

For our ESRA Consolidation and Management clients, we have an obligation to seek best execution. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission

rates, reputation and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

### **3. Brokerage for Client Referrals**

We do not receive any compensation or incentive for referring you to broker-dealers for brokerage trades. Schwab does not require a certain level of assets in order to receive their services.

### **4. Directed Brokerage**

Our online ESRA asset management clients will use the custodian their employer has selected for their 401(k), 403(b), and 457 Plans as well as other employer sponsored retirement plans. By directing brokerage to your employer selected broker-dealer or custodian and directing us to use them, you may pay higher or lower fees than what is available through our relationships. We cannot negotiate the fees you will pay.

### **5. Trading**

Transactions for each client account will be effected independently.

## **Item 13 – Review of Accounts**

---

### **1. Reviews**

For our Outside Account Consolidation and Management services, accounts will generally be reviewed nightly for shifts in the allocation outside of pre-set tolerance bands and/or changes to the pre-set cash reserve back into tolerance.

For our Online ESRA Services, accounts will generally be reviewed and rebalanced quarterly or more frequently if the client has requested a change to their recommended allocation.

### **2. Reports**

For our Online ESRA services, your retirement plan sponsor will provide you with account statements reflecting the transactions occurring in your account and account balances along with confirmations for each securities transaction executed in the account. These reports may be sent electronically via email.

For our Outside Account Consolidation and Management services, our custodian Charles Schwab will provide you with monthly account statements reflecting the transactions occurring in your account and account balances along with confirmations for each securities transaction executed in the account. These reports may be sent electronically via email.

You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s).



## Item 14 – Client Referrals and Other Compensation

---

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

In limited cases, with full written disclosure to our Client, we may compensate a third party or our related entity, The Retirement Planning Group, Inc. for a Client referral. In such cases, the existence of this relationship is included in the Client's Investment Management Agreement. Compensation to the third party is a usual and customary amount, which is also disclosed to our Client. Further, the Client separately acknowledges in writing their awareness of and consent to this compensation. This type of arrangement will not increase expenses to our Client. All clients will pay our normal stated fees.

## Item 15 – Custody

---

For our ESRA Consolidation and Management Services clients, we do not maintain physical custody of your assets that we manage, although we may be deemed to have constructive custody of your assets if you give us authority to withdraw assets from your account to pay your advisory fees. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member FINRA & SIPC, as the qualified custodian for their outside investment accounts.

In all cases, Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. If you notice any discrepancies, please contact bloom.

We do have custody of our Online ESRA asset management clients since we do have their personal information required to trade their accounts through their custodians. In order to fulfill our regulatory responsibility for these accounts over which we have custody, the following safeguards have been instituted:

- All Client accounts are held at a qualified custodian.
- A surprise audit is conducted, at least annually, by an independent certified public accountant who verifies all custodied Client funds and securities.

## **Item 16 – Investment Discretion**

---

If you grant us discretionary authority, we receive it from you at the beginning of our advisory relationship. This allows us to select the identity and amount of securities to be bought or sold. This information is described in the Advisory Agreement you sign with us which contains a limited power of attorney which gives us a limited scope of authority to act on your behalf with your accounts. Further, Schwab requires each account holder to indicate delegation of discretionary authority on each account application. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

If you have not granted us discretionary authority, we will only trade with your express permission.

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

---

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We are authorized to instruct the custodian to forward you copies of all proxies and shareholder communications relating to your account assets.

## **Item 18 – Financial Information**

---

Since we do have discretionary authority, we are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.

In no event shall we charge advisory fees that are both in excess of twelve hundred dollars and more than six months in advance of advisory services rendered.