

Duckworth Wealth Advisors, Inc.

SEC File Number: 801 – 57574

ADV Part 2A, Firm Brochure

Dated: September 9, 2014

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This Brochure provides information about the qualifications and business practices of Duckworth Wealth Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at 949-629-4040 or kara@Duckworthwa.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Duckworth Wealth Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Duckworth Wealth Advisors, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the Annual Amendment filing on February 19, 2013, this Brochure has been amended to reflect a succession by amendment filing, as more fully described in Item 4A. This Brochure has also been amended at Items 4B and 5A since the most recent Annual Amendment filing on March 21, 2014, with respect to retirement plan consulting services.

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Item 4 Advisory Business

- A. Duckworth Wealth Advisors, Inc. (“Duckworth”) is a corporation formed on August 30, 2013 in the State of California. On November 27, 2013, Duckworth filed a succession by amendment on ADV Part 1, such that it assumed substantially all of the assets and liabilities of its predecessor entity, DuckworthMehner Private Wealth Advisors, Inc., which was formed on September 18, 1998 (originally formed as D&M Capital Management, Inc.) in the State of California, and became registered as an Investment Adviser Firm on April 22, 1999. Both Duckworth and DuckworthMehner Private Wealth Advisors, Inc. are/were principally owned by Michael C. Duckworth. Accordingly, the succession by amendment has not resulted in any actual or practical change of Duckworth’s control or operations.
- B. As discussed below, Duckworth offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Duckworth to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. Duckworth’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Duckworth’s management on a stepped-up basis as described below. Before engaging Duckworth to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Duckworth setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. Thereafter, Duckworth will allocate investment assets consistent with the designated investment objectives. Once allocated, Duckworth provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, Duckworth *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging Duckworth to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Duckworth setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Duckworth commencing services. If requested by the client, Duckworth may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Duckworth. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify Duckworth if there is ever any change in

his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Duckworth's previous recommendations and/or services.

TAX CONSULTING & PREPARATION SERVICES

To the extent requested by the client, Duckworth *may* determine to provide tax consulting and preparation services on a stand-alone separate fee basis.

RETIREMENT PLAN CONSULTING

Duckworth provides non-discretionary retirement plan consulting services, pursuant to which it assists sponsors of self-directed retirement plans and defined benefit plans with the selection and/or monitoring of investment alternatives from which plan participants choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, Duckworth will also provide participant education designed to help plan participants identify the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement including the scope of services to be provided and the fee arrangement shall be set forth in a *Retirement Plan Consulting Agreement* between Duckworth and the plan sponsor.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, Duckworth *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Duckworth, nor any of its representatives, serves as an attorney or licensed insurance agent and no portion of Duckworth's services should be construed as same. To the extent requested by a client, Duckworth may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Duckworth. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Duckworth if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Duckworth's previous recommendations and/or services.

Sub-Advisory Arrangements. Duckworth may engage sub-advisors for the purpose of assisting Duckworth with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by Duckworth. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by Duckworth. Duckworth shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services. **Duckworth's Chief Compliance Officer, Kara Duckworth, remains available to address any questions concerning Duckworth's sub-advisory arrangements.**

Client Obligations. In performing its services, Duckworth shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Duckworth if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Duckworth's previous recommendations and/or services.

Disclosure Statement. A copy of Duckworth's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. Duckworth shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Duckworth shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Duckworth's services.
- D. Duckworth does not participate in a wrap fee program.
- E. As of December 31, 2013, Duckworth had \$120,047,876 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Duckworth to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage Duckworth to provide discretionary investment advisory services on a negotiable *fee* basis, Duckworth's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Duckworth's management on a stepped-up basis as follows:

<u>Total Assets Managed</u>	<u>Annual %</u>
First \$6,000,000	0.85%
Next \$4,000,000	0.75%
Next \$15,000,000	0.65%
Amounts over \$25 million	negotiable

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Duckworth *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Duckworth's planning and consulting fees are negotiable, but generally range from \$80 to \$450 on an hourly rate basis, with a minimum annual fee of \$1,000, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

TAX CONSULTING & PREPARATION SERVICES

To the extent requested by the client, Duckworth *may* determine to provide tax consulting and preparation services on a stand-alone separate fee basis. Duckworth's typical tax consulting and preparation fee is \$135-\$315 per hour.

RETIREMENT PLAN CONSULTING

Duckworth charges a negotiable annual fee for retirement plan consulting services which ranges between 0.25% and 1.0% of plan assets depending on the services requested and the size of the plan. The terms and conditions of the engagement including the scope of services to be provided and the fee arrangement shall be set forth in a *Retirement Plan Consulting Agreement* between Duckworth and the plan sponsor.

- B. Clients may elect to have Duckworth's advisory fees deducted from their custodial account. Both Duckworth's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Duckworth's investment advisory fee and to directly remit that management fee to Duckworth in compliance with regulatory procedures. In the limited event that Duckworth bills the client directly, payment is due upon receipt of Duckworth's invoice. Duckworth shall deduct fees and/or bill clients quarterly in advance or arrears depending on the investment program, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Duckworth shall generally recommend that Charles Schwab & Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Duckworth's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).
- D. Duckworth's annual investment advisory fee shall be prorated and paid quarterly, in advance or arrears depending on the investment program, based upon the market value of the assets on the last business day of the previous quarter. Duckworth generally requires an annual minimum fee of \$17,000 for investment advisory services. Duckworth, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Duckworth and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Duckworth shall either refund the pro-rated portion of the advanced advisory fee paid or debit the account for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days remaining in the billing quarter.

- E. Neither Duckworth, nor its representatives, accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Duckworth, nor any supervised person of Duckworth, accepts performance-based fees.

Item 7 Types of Clients

Duckworth's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. Duckworth generally requires an annual minimum fee of \$17,000 for investment advisory services. Duckworth, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. Duckworth may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Duckworth may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Duckworth) will be profitable or equal any specific performance level(s).

B. Duckworth's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, Duckworth must have access to current/new market information. Duckworth has no control over the dissemination rate of market information; therefore, unbeknownst to Duckworth, certain analyses may be compiled with outdated market information, severely limiting the value of Duckworth's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Duckworth's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, Duckworth primarily allocates client investment assets among various mutual funds, individual bonds and/or exchange traded funds ("ETFs") on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s).

Item 9 Disciplinary Information

Duckworth has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Duckworth, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Duckworth, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Duckworth has no other relationship or arrangement with a related person that is material to its advisory business.
- D. Duckworth does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Duckworth maintains an investment policy relative to personal securities transactions. This investment policy is part of Duckworth's overall Code of Ethics, which serves to establish a standard of business conduct for all of Duckworth's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Duckworth also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Duckworth or any person associated with Duckworth.

- B. Neither Duckworth nor any related person of Duckworth recommends, buys, or sells for client accounts, securities in which Duckworth or any related person of Duckworth has a material financial interest.

- C. Duckworth and/or representatives of Duckworth *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Duckworth and/or representatives of Duckworth are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Duckworth did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Duckworth’s clients) and other potentially abusive practices.

Duckworth has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Duckworth’s “Access Persons”. Duckworth’s securities transaction policy requires that an Access Person of Duckworth must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Duckworth selects; provided, however that at any time that Duckworth has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Duckworth and/or representatives of Duckworth *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Duckworth and/or representatives of Duckworth are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, Duckworth has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Duckworth’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Duckworth recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Duckworth to use a specific broker-dealer/custodian), Duckworth generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Duckworth to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Duckworth setting forth the terms and conditions under which Duckworth shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Duckworth considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Duckworth, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Duckworth's clients shall comply with Duckworth's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Duckworth determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible 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, and responsiveness. Accordingly, although Duckworth will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Duckworth's investment management fee. Duckworth's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Duckworth may receive from *Schwab* (or another broker-dealer/custodian investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Duckworth to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Duckworth may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Duckworth in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Duckworth in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Duckworth to manage and further develop its business enterprise.

Duckworth's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Duckworth to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Duckworth's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Duckworth does not receive referrals from broker-dealers.
3. Duckworth does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Duckworth will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Duckworth. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Duckworth to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Duckworth.

Duckworth's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Duckworth provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Duckworth decides to purchase or sell the same securities for several clients at approximately the same time. Duckworth may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Duckworth's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Duckworth shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Duckworth provides investment supervisory services, account reviews are conducted on an ongoing basis by Duckworth's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Duckworth of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Duckworth on an annual basis.
- B. Duckworth *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Duckworth may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Duckworth may receive an indirect economic benefit from *Schwab*. Duckworth, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Duckworth's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding

commitment made by Duckworth to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Duckworth's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to Duckworth by either an unaffiliated or an affiliated solicitor, Duckworth *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Duckworth's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Duckworth by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Duckworth's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Duckworth and the solicitor, including the compensation to be received by the solicitor from Duckworth.

Item 15 Custody

Duckworth shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Duckworth may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that Duckworth provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Duckworth with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Duckworth's advisory fee calculation.

Please Also Note: Custody Situations: Duckworth engages in other practices and/or services on behalf of its clients that require disclosure at the ADV Part 1, Item 9 (Custody) which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

Item 16 Investment Discretion

The client can determine to engage Duckworth to provide investment advisory services on a discretionary basis. Prior to Duckworth assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Duckworth as the client's attorney and agent in fact, granting

Duckworth full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Duckworth on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Duckworth's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Duckworth's use of margin, etc.).

Item 17 Voting Client Securities

Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Registrant will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer, Kara Duckworth.

Item 18 Financial Information

- A. Duckworth does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Duckworth is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Duckworth has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Duckworth's Chief Compliance Officer, Kara Duckworth, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.