



**Part 2A of Form ADV: *Firm Brochure***

**New England Capital Financial Advisors, LLC**

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This brochure provides information about the qualifications and business practices of New England Capital Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (203) 935-0265 or [chrisbeale@newenglandcapital.com](mailto:chrisbeale@newenglandcapital.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 New England Capital Financial Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109203.

## Item 2    Material Changes

Since our last filing on February 1, 2013, we have made the following material change to our Form:

- ADV Part 2A:
  - Item 4: Advisory Business, under the New England Capital Asset Management (NECAM) section, all references to Genworth Financial Wealth Management or “GFWM” have been changed to Assetmark, Inc. or “Assetmark” to reflect the name change of Genworth Financial Wealth Management to Assetmark, Inc. in January of 2014.
  - Item 5: Fees and Compensation, under the New England Capital Asset Management (NECAM) section, all references to Genworth Financial Wealth Management or “GFWM” have been changed to Assetmark, Inc. or “Assetmark” to reflect the name change of Genworth Financial Wealth Management to Assetmark, Inc. in January of 2014.
  - Item 10: Other Financial Industry Activities and Affiliations, the Banking or Thrift Institution section was updated to reflect that Christopher Beale is now on the board of Trustees for National Advisors Trust Company and National Advisors Holdings, the parent company of National Advisors Trust.
  - Item 12: Brokerage Practices, under the New England Capital Asset Management (NECAM) section, all references to Genworth Financial Wealth Management or “GFWM” have been changed to Assetmark, Inc. or “Assetmark” to reflect the name change of Genworth Financial Wealth Management to Assetmark, Inc. in January of 2014.
  - Item 13: Review of Accounts, under the New England Capital Asset Management (NECAM) section, all references to Genworth Financial Wealth Management or “GFWM” have been changed to Assetmark, Inc. or “Assetmark” to reflect the name change of Genworth Financial Wealth Management to Assetmark, Inc. in January of 2014.

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	9
Item 6	Performance-Based Fees and Side-By-Side Management	12
Item 7	Types of Clients	12
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	12
Item 9	Disciplinary Information	15
Item 10	Other Financial Industry Activities and Affiliations	15
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	18
Item 12	Brokerage Practices	20
Item 13	Review of Accounts	22
Item 14	Client Referrals and Other Compensation	24
Item 15	Custody	25
Item 16	Investment Discretion	25
Item 17	Voting Client Securities	26
Item 18	Financial Information	26

## **Item 4    Advisory Business**

New England Capital Financial Advisors, LLC ("NECFA", "We", "Us" or "Our") is a SEC-registered investment adviser with its principal place of business located in South Meriden, Connecticut. NECFA began conducting business in 1992 with Christopher W. Beale, CFP® as Managing Member and majority shareholder.

NECFA offers the following advisory services to our clients:

- INDIVIDUAL PORTFOLIO MANAGEMENT
- FINANCIAL PLANNING
- CONSULTING SERVICES
- NEW ENGLAND CAPITAL ASSET MANAGEMENT PROGRAM (NECAM)
- PENSION CONSULTING SERVICES
- SEMINARS

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm offers continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. As of 03/07/2014 we managed \$150,762,845 of assets on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding exchange-listed securities, securities traded over-the-counter, warrants, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States governmental securities, options contracts on securities, interests in partnerships investing in real estate, and interests in partnerships investing in oil and gas interests.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## FINANCIAL PLANNING

We offer financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, we ask detailed questions, gather information and analyze your financial status and life situation. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- *PERSONAL*: We review family records, budgeting, personal liability, estate information and financial goals.
- *TAX & CASH FLOW*: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- *INVESTMENTS*: We analyze investment alternatives and their effect on the client's portfolio.
- *INSURANCE*: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- *RETIREMENT*: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- *DEATH & DISABILITY*: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- *ESTATE*: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including questionnaires completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or financial advisor. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

As individuals of NECFA are registered as representatives of a broker dealer and/or as insurance agents/brokers of various insurance companies, recommendations made in financial plans are not limited to only those products offered through these companies.

## **CONSULTING SERVICES**

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

## **NEW ENGLAND CAPITAL ASSET MANAGEMENT PROGRAM (NECAM)**

The New England Capital Asset Management (NECAM) program offers advisory management services to our clients through Assetmark, Inc Platform (hereinafter, "Assetmark" or "Assetmark Platform"). Assetmark is an unaffiliated registered investment adviser and sponsors an asset allocation system that offers model portfolios of mutual funds and separately managed accounts. As of 3/7/2014 we managed \$10,908,929 of assets on a discretionary basis through this program.

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's Personal Investment Policy Statement ("PIPS").

When consistent with a client's PIPS and needs, we may recommend the use of the Assetmark Platform. Assetmark has contracted with a number of institutional investment management firms ("Strategists") to create a variety of asset allocation models and has identified a broad range of no-load or load mutual funds, annuities, or separate account managers for the Strategists to use in these models. The asset allocation programs are designed as a means for us to tailor the portfolio design services of the Strategists to the client's individual needs. We are not affiliated with Assetmark or any of the Strategists that participate in their program.

The Strategists will monitor the performance of the mutual funds, annuities, or separate account managers, in their model portfolios and will periodically adjust and rebalance the portfolio in accordance with their investment strategies and informing us of any changes in the model portfolio.

We will analyze the Strategists' model portfolio decisions on behalf of the client and determine if these decisions should be used to rebalance the client's portfolio based on that analysis and the client's individual goals and objectives. Clients should refer to the disclosure document (Part 2A of Form ADV or Appendix 1 of Form ADV) of Assetmark for detail on the advisory services offered by Assetmark.

We assist the client in identifying a Strategist whose investment philosophy and model portfolio most closely match the client's state investment objectives and risk tolerances. We will meet with the client at least annually, but will be reasonably available to consult with clients on a regular basis.

The minimum investment required in the Assetmark Platform depends upon the Investment Solution chosen for a client's account and is generally \$25,000-\$50,000 for Mutual Fund and Variable Annuity accounts and \$100,000 for ETF Accounts, \$250,000 for Distribution Strategies, and from \$50,000 to \$500,000 for Privately Managed and Unified Managed Accounts, depending on the investment strategy selected for the account, as described in more detail in the Assetmark Platform Disclosure Brochure, Appendix 1. Accounts below the stated minimums may be accepted on an individual basis at the discretion of the Platform sponsor.

## **PENSION CONSULTING SERVICE**

We also offer several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. We may recommend John Hancock, American Funds and/or other independent service providers as appropriate to manage the assets and advise the individual participants and trustees of pension, profit sharing and 401(k) plans. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services. As of 3/7/2014, for these types of plans we managed \$24,468,786 of assets on a discretionary basis.

### ***Investment Policy Statement Preparation (hereinafter referred to as "IPS"):***

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm will then prepare a written IPS stating those needs and goals and encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.

### ***Selection of Investment Vehicles:***

We will assist plan sponsors in constructing asset allocation models, and review various investments to determine which investments are appropriate to implement the client's IPS. We will review various investments, consisting exclusively of mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

### ***Monitoring of Investment Performance:***

We will monitor client investments continuously, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm will not be involved in any way in the purchase or sale of these investments, we will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

### ***Employee Communications:***

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature

of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

## SEMINARS

Our firm offers educational seminars on various investment topics including technical portfolio analysis. The investment information provided under this service does not purport to meet the objectives or needs of each individual client. The seminars will provide participants with discussions on asset allocation strategies, estate and retirement planning, and general educational topics. Our seminars may be open to the public.

## Item 5 Fees and Compensation

### INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management as follows:

<u>Assets</u>	<u>Annual Fee</u>
Up to - \$250,000	1.50%
\$250,001 - \$500,000	1.25%
\$500,001 - \$2,500,000	1.00%
Over \$2,500,000	0.75%

There is a \$1,500 minimum account fee, which may be negotiated under certain circumstances.

Our fees are invoiced quarterly in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees that are debited from the account will be noted on their custodial account in accordance with the client authorization in the Client Services Agreement.

**Limited Negotiability of Advisory Fees:** Although we have established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.



Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

### **FINANCIAL PLANNING FEES**

Our Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Fees for financial planning will be calculated based on one of two ways:

1. A negotiable hourly rate ranging from \$150 - \$450 per hour. At the time the client agreement is executed, we may estimate the amount of time it will take to complete the financial plan; or
2. A flat rate of \$150 to \$10,000 depending on the extent and complexity of the individual client's personal circumstances and needs. This flat rate may be negotiable under certain circumstances.

We will determine which method payment is appropriate for each client. All fees are agreed upon with each client prior to entering into a contract with any client. The minimum is \$150.

Fees are due and payable upon completion of the plan.

If a financial planning client becomes a NECFA portfolio management client, we may discount or waive its financial planning fee in lieu of its portfolio management fee.

### **CONSULTING SERVICES FEES**

Our Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Services fees are calculated and charged on an hourly basis, ranging from \$150 to \$450 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

All Consulting Services fees are due and payable as incurred.

### **NEW ENGLAND CAPITAL ASSET MANAGEMENT PROGRAM FEES (NECAM)**

We typically receive an advisory fee of 1.50% of a client's assets invested in the Assetmark program. The exact fee received by us for our services will be disclosed to the client either in a separate Solicitor's Disclosure Document provided to the client, or in the investment management agreement between the client and Assetmark Program.

Clients participating in Assetmark Programs will also be charged various program fees in addition to our advisory fee. Such program fees may include the investment advisory fees of independent investment advisers who manage the client's account(s).

Clients should note that program fees may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial

services. Client's portfolio transactions will be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Assetmark sponsor disclosure documents (Form ADV Part 2A and/or Form ADV Part 2A, Appendix 1 "wrap program") will further describe the specific fees charged within the program, minimum account requirements, billing arrangements (e.g., collection of fees in advance or arrears) and service termination provisions. Assetmark does not control the billing features of any Third Party Manager Programs.

### **PENSION CONSULTING SERVICES FEES**

As described in Item 4, clients that choose this service may be referred to John Hancock Retirement Plan Services, American Funds or other similar providers. We may enter into an agreement with these and other providers and may receive an advisory fee ranging from 20 basis points to 100 basis points annually on the assets in the pension or retirement plans in connection with our services.

Clients utilizing the services through these providers may also be charged various program fees and expenses in addition to our advisory fee. Such fees may include third party administrative fees, custodial fees, transaction fees, a per-participant fee and expenses associated with the underlying investment vehicles offered by each service provider. Clients should closely review the agreements with each service provider and the prospectuses or disclosure documents associated with each.

### **SEMINARS FEES**

Clients participating in our seminars are charged between \$25 and \$5,000 for the entire seminar program. The exact fee depends on the length and number of the sessions in the program, the materials included, and the location and additional expenses. Fees are due and payable at the completion of the program. Under certain circumstances, the seminar fee may be negotiable.

### **COMMISSION COMPENSATION**

As disclosed in Item 10, management and associated persons of our firm may be separately licensed as registered representatives of Purshe Kaplan Sterling Investments a broker dealer and/or licensed as insurance agents or brokers of various companies. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12-b1 fees or other sales-related forms of compensation). In some instances, depending on the size of the transaction, advisory fees will be discounted or waived in lieu of commissions earned. Commissions will not be credited to any future advisory fees. This presents a conflict of

interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

***Mutual Fund Fees:*** All fees paid to NECFA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to our minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** We are deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations

under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset our advisory fees.

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

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

We do not charge performance-based fees.

## **Item 7 Types of Clients**

We provide advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and Profit sharing plans (other than plan participants)
- Charitable Organizations
- Corporations or business entities other than those listed above
- Trusts

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

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

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

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

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

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

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

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

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

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Third-Party Money Manager Analysis.** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

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

### **INVESTMENT STRATEGIES**

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

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

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

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

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

**Margin transactions.** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

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

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

### **MANAGEMENT PERSONNEL REGISTRATIONS:**

Certain management personnel and associated persons of our firm are separately licensed as registered representatives of Purshe Kaplan Sterling Investments, an unaffiliated FINRA member broker dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While management and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

## ***INSURANCE LICENSES***

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## ***BANKING OR THRIFT INSTITUTION***

Mr. Beale, our managing member, has a minority ownership interest in and is a member of the board of Directors of a savings and loan holding company, National Advisors Holdings, Inc. ("NAH") that has formed a federally chartered trust company, "National Advisors Trust Company" ("NATC"). NAH and NATC are regulated by Office of the Comptroller of the Currency (OCC), a bureau of the U.S. Treasury Department. The trust company intends to provide a low cost alternative to traditional trust service providers.

Where appropriate we (and our associates) may refer clients to NATC for custody and/or trust services. NECFA does not receive any compensation for making this recommendation to clients, however, Mr. Beale does receive compensation for serving on the board of directors.

## ***Conflicts of Interests***

Clients should be aware that the receipt of additional compensation by NECFA and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;

- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

NECFA and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

NECFA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [ChrisBeale@newenglandcapital.com](mailto:ChrisBeale@newenglandcapital.com), or by calling us at (203) 935-0265.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.



We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- 1.** No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- 2.** No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- 3.** It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- 4.** Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- 5.** We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- 6.** We have established procedures for the maintenance of all required books and records.
- 7.** All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
- 8.** Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- 9.** All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 10.** We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- 11.** We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- 12.** Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker dealer, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 12 Brokerage Practices

We do not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As our firm does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct us as to the broker dealer to be used.

### INDIVIDUAL PORTFOLIO MANAGEMENT

We may recommend one or more of the following brokerage to maintain custody for clients' assets and to effect trades for their accounts in connection with its Individual Portfolio Management services:

- Schwab Advisor Services™
- Fidelity Investments
- National Advisors Trust Co.

#### *Schwab Advisor Services™*

We may recommend that clients establish brokerage accounts with the Schwab Advisor Services™, a division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. NECFA is independently owned and operated and not affiliated with Schwab.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include 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 our fees from clients' accounts; and
- (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- (i) compliance, legal and business consulting;
- (ii) publications and conferences on practice management and business succession; and
- (iii) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### *Fidelity Brokerage Services, LLC*

We have an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like NECFA in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by us (within specified parameters). These research and brokerage services

presently include services such as duplicate client statements and confirmations; research related products and tools; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers and are used by our firm to manage accounts for which we have investment discretion.

We may also receive additional services which may include consulting services, discounts on compliance, marketing, research, technology, and practice management products or services by third party vendors. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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, while we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

NECFA and Fidelity are not affiliated and no broker-dealer affiliated with us is involved in the relationship between NECFA and Fidelity.

#### *National Advisers Trust, Co.*

*From time to time we may recommend that clients establish trust, custodial or banking accounts with National Advisers Trust, Company, FSB ("NATC") a federally chartered trust company. Although we recommend that clients establish accounts at NATC it is the client's decision to custody assets with NATC. NECFA is independently owned and operated and not affiliated with NATC.*

In making this recommendation we believe that NATC provides a broad range of banking, trust and custodial services that will meet the client needs at an affordable price. One of the main factors in making this recommendation is that NATC's business model is designed to work with professional advisors such as NECFA in conjunction with their services. NATC

allow clients to maintain their relationships with their trusted advisers while utilizing the banking, custody and trust services of federally chartered trust company.

As previously disclosed in the “Other Financial Industry Activities and Affiliations” section (Item 10) a member of our management has a minority ownership interest in the parent of NATC. Also, as previously noted, Mr. Beale is a member of the board of directors for NATC and its parent company NAH. We do not receive any compensation for making this recommendation to clients, but Mr. Beale does receive compensation for serving on the board of directors.

In recommending NATC we can not ensure that client will pay the lowest fees, commissions or receive best execution on transactions.

### **MANAGEMENT SERVICES OFFERED IN CONJUNCTION WITH NECAM**

We assist the client in selecting the risk/return objective and Strategists that best suit the client's objectives. The client then specifically directs the account to be invested in accordance with the chosen asset allocation. When the client selects the asset allocation, the client further directs that the account be automatically adjusted to reflect any adjustment in the asset allocation by the selected Strategist. This client authorization results in the purchase and sale of certain mutual funds or ETFs (or transfers between variable annuity sub-accounts) without further authorization by the client or any other party at such time as the Strategist changes the composition of the selected model asset allocation.

The client receives confirmation of all transactions in the account and is free to terminate participation in the GWFM Platform and retain or dispose of any assets in the account at any time. NECFA has no authority to cause any purchase or sale of securities in any client account. NECFA may change the selected model asset allocation or direct the account to be invested in a manner other than as previously authorized by the client.

If a client selects an individual managed account, unified managed account or other investment solution, the third-party discretionary managers are granted the authority to manage the accounts on a discretionary basis, including the authority to buy, sell, select, remove and select securities and other investments for the account, and to select broker-dealers or others through which transactions will be effected.

Clients in these programs should review the disclosure documents of GWFM (Form ADV Part 2A and Part 2A, Appendix 1 if applicable) of the applicable program and/or the selected independent investment advisers for information regarding their brokerage policies, practices and recommendations.

In recommending these programs we can not ensure that client will pay the lowest commissions or receive best execution on transactions within the program.

### **PENSION CONSULTING SERVICES**

We may recommend the client utilize the services of John Hancock Retirement Plan Services, American Funds, and/or other similar retirement plan service providers (collectively

“Service Providers”) in connection with our Pension Consulting Services. We assist plan sponsors in selecting and designing their retirement plan(s) through the Service Provider that best suit the client’s objectives. Clients should review the disclosure documents of the Service Provider recommended and/or any prospectuses relating to the funds or investments in conjunction with this service.

In recommending these programs we can not ensure that client will pay the lowest commissions or receive best execution on transactions within the program.

### **AGGREGATING “BLOCK” CLIENT TRADES**

We will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. NECFA will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Our block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with NECFA, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable NECFA to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) NECFA's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on NECFA's records and to the broker dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

## **Item 13    Review of Accounts**

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

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

These accounts are initially reviewed by Christopher W. Beale, CFP® and Darren M. Tapley, CCO, Christopher M. Lee, CFP®. Thereafter these accounts are periodically reviewed by; Christopher W. Beale, CFP®, Christopher M. Lee, CFP®, Darren M. Tapley, Marc J. Libero, and Linda Pastula, CFP®.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## CONSULTING SERVICES

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

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory engagement.

## NEW ENGLAND CAPITAL ASSET MANAGEMENT PROGRAM (NECAM)

**REVIEWS:** NECAM clients should refer to Assetmark's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by Assetmark.

In addition to any reviews that may be conducted by Assetmark, NECFA will initially review each account. These initial reviews are conducted by Christopher W. Beale, CFP® and Darren M. Tapley, CCO, Christopher M. Lee, CFP®. Thereafter these accounts are periodically reviewed by; Christopher W. Beale, CFP®, Christopher M. Lee, CFP®, Darren M. Tapley, Marc J. Libero, and Linda Pastula, CFP®.

**REPORTS:** Clients participating in the NECAM Program through Assetmark will receive periodic custodial account statements (not less frequently than quarterly) from their account Custodian. These clients should refer to the Assetmark Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by Assetmark.

We will provide these client accounts with reports as contracted for at the inception of the advisory relationship.

## PENSION CONSULTING SERVICES FEES

**REVIEWS:** We review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. We also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by: The initial reviews are conducted by Christopher W. Beale, CFP® and Darren M. Tapley, CCO, Christopher M. Lee, CFP®. Thereafter these accounts are periodically reviewed by; Christopher W. Beale, CFP®, Christopher M. Lee, CFP®, Darren M. Tapley, Marc J. Libero, and Linda Pastula, CFP®.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory relationship or as provided for by the third-party service providers selected by the client.



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

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

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

each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. We have no additional financial circumstances to report.

We have not been the subject of a bankruptcy petition at any time during the past ten years.