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**December 19, 2014**

**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Valley National Advisers Inc. If you have any questions about the contents of this brochure, please contact Thomas M. Riddle at 610-868-9000 x107. 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 Valley National Advisers Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Valley National Advisers Inc. is 110788.**

**Valley National Advisers Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## ***Summary of Material Changes***

In this *Summary of Material Changes*, we discuss only the material changes since the last update, encompassing those changes, to the ADV Part 2 brochure of December 2013 and the Amount of Assets Managed since September 2014:

- 1) **Amount of Assets Managed.** Our assets under management are in excess of \$555 million as of September 30, 2014. Please refer to Item 4 of this brochure.
- 2) **Financial Planning and Non-Investment Services Conflicts of Interest.** This section was added to Item 4 of the Part 2A brochure to address that no client is obligated to purchase any services recommended by Valley National Advisers Inc. advisers' from firm representatives of the Broker Dealer and/or its insurance agents due to the potential conflict of interest that receipt of commissions may provide an incentive to recommend these products.
- 3) **Types of Clients.** Valley National Advisers Inc. added "Government Entities" as a type of client we provide advisory services to in Item 7 of the Part 2A brochure.

We encourage our clients to review this Summary of Material Changes and/or ADV Part 2A Brochure and 2B Brochure Supplement. If you have any questions or prefer to receive an electronic version of this update, please contact your Financial Advisor at 610-868-9000.

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## Advisory Business

Form ADV Part 2A, Item 4

Valley National Advisers Inc.'s registration was granted by the U.S. Securities and Exchange Commission on August 30, 1985. Thomas Merle Riddle (CRD Number 1335487) is President and Chief Compliance Officer of the firm. Mr. Riddle owns one hundred (100%) percent of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not participate in wrap programs. As of September 30, 2014, the firm managed assets on a discretionary basis in the amount of \$520,734,637.23, representing 2986 accounts and managed on a nondiscretionary basis \$35,207,937.14 representing 90 accounts.

The Firm will provide investment advisory and supervisory services to the clients on an asset allocation basis utilizing comprehensive software such as Morningstar and Tamarac. The client shall pay the Firm a fee (Advisory Fee) for its services on a monthly or quarterly basis depending on the program selected and will be disclosed at the initial proposal. The standard Advisory Fee will be calculated using the Fee Schedules below based upon the client's average account asset value or month or quarter end balance depending on the custodian and accounts managed in previous calendar month or quarter and will become due on the following business day. The first fee payable will be prorated for the first month or quarter from the date of the Agreement or the date the account is funded. An initial set-up fee may be charged depending upon the complexity of the engagement and will not exceed ½ of 1%.

Financial planning services will consist of gathering facts regarding the client's assets and liabilities, tax situation, cash flow, financial goals, retirement objectives, estate, risk exposure and business interests. Financial planning recommendations will be made based upon the information developed in the fact-finding phase. The fee will equal \$1,500 or more dependent upon the complexity of the client's financial situation. An annual review and update will be ½ of the original fee. Clients may choose any organization to implement financial planning recommendations. Engagements for a specific goal may be on an hourly or fixed fee rate.

Estate analysis will consist of applying the facts of a client's particular situation, gathered in the fact-finding phase, and utilizing computer application software designed to project liquidity, federal and state death taxes, and other considerations which flow from the client's existing or proposed estate plan. Recommendations to clients will generally be based upon the complexity of the engagement and the perceived liquidity, tax savings and asset distribution goals.

**Please Note-Conflict of Interest:** The recommendation by Valley National Advisers Inc. advisers' that a client purchase a securities or insurance commission product from firm representatives in their individual capacities as representatives of BD, and/or as insurance agents, presents a ***conflict of interest***, as the broker dealer or the insurance agency *may* receive commissions on investment products recommended. No client is under any obligation to purchase any securities or insurance commission products from Valley National representatives. Clients are reminded that they may purchase securities and insurance products recommended by Valley National Advisers Inc. through other, non-affiliated broker-dealers and/or insurance agencies, and can obtain tax preparation through providers other than Valley National Services.

**Valley National Advisers Chief Compliance Officer, Thomas M. Riddle, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

**Client Obligations.** In performing its services, Valley National Advisers Inc. 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 Valley National Advisers Inc. if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Valley National Advisers Inc.'s previous recommendations and/or services.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

### **Standard Discretionary Fee Schedule**

Annual rate as a percentage of client's average account asset value and asset class:

	<u>% of Assets</u>
Chargeable Assets	
.01 to \$500,000	1.00%
\$500,000.01 to \$1,000,000	0.75%
\$1,000,000.01 and above	0.50%

There may be a minimum annual account fee of \$500.

### **Standard Non Discretionary Fee Schedule**

Annual rate as a percentage of client's average account asset value and asset class:

	<u>% of Assets</u>
Chargeable Assets	
.01 to \$250,000	1.25%
\$250,000.01 to \$500,000	1.15%
\$500,000.01 to \$1,000,000	0.95%
\$1,000,000.01 to 2,000.00	0.60%
\$2,000,000.01 to \$3,000,000	0.45%
\$3,000,000.01 and above	0.35%

There may be a minimum annual account fee of \$500.

This cumulative fee schedule is developed for those individuals and accounts holding stock, bonds, and mutual funds.

### **Institutional Fee Schedule**

A separate fee schedule is available for institutions with a flat .5% rate as a percentage of the institution's average account asset value. Firm may provide account management services to institutions restricted as to the institution's investment directives, including asset allocation.

The minimum annual Advisory Fee and the annual rate based on the Fee Schedules are negotiable fees. An associated person to the Firm may receive a sales charge on the sale of loaded funds. Also, mutual funds will be subject to fund operating expenses in addition to the regular fee to Firm. The firm will recommend no load or load waived funds.

Fee schedules that were established prior to this revision date may apply to certain clients.

If separately managed accounts are utilized, the firm uses Charles Schwab Select Access as a sub-advisor in recommending, selecting, and monitoring one or more affiliated or unaffiliated sub-advisors with which Charles Schwab has entered into a sub-advisory agreement. The firm selects the appropriate portfolio manager(s) on the Schwab platform, based upon the client's financial needs and investment objectives. Schwab also establishes custodial facilities, monitors performance of portfolio managers, provides clients with performance accounting and other administrative services, and assists portfolio managers with certain trading activities.

#### Managed Accounts Fee Schedule

Separately Managed Account Program- when applicable, the fee schedule for a chosen program will be reviewed with the client prior to selecting such program as Separately Managed Account manager's fees may change from time to time.

#### Trend Report Analysis

The minimum annual fee for Trend Report Analysis asset management services is \$100. This service is offered to those clients desiring to view the trend values of their asset values.

#### Other Compensation

Valley National Advisers may be asked to review retirement plans or outside managed portfolios for clients. In these cases, fees for these services are 1% per year of the total portfolio assets as calculated monthly or quarterly, as agreed, and paid monthly or quarterly as services are rendered.

Financial evaluations may also be performed when a client's needs relate to a specific financial area mentioned above as opposed to a comprehensive financial plan. Fees for a financial analysis will range from \$200/hour to \$300/hour.

Firm's engagement letter will provide that a client may terminate the engagement within five (5) business days without penalty and be entitled to a refund of any fees paid in advance. If advisory client wishes to terminate the relationship with Firm after five (5) days a partial refund will be made of the fee paid. The refund will be prorated for the portion of engagement not completed or period in which services would not be rendered.

Services provided not involving securities are: income tax planning, computer-assisted estate analysis, and financial planning services; also, business-financial planning – including marketing and strategic planning, and pension and business valuations. Tax planning will consist of explaining tax law changes, calculating year-end liabilities. Fees will be charged at the rate of \$90/hour to \$300/hour, depending on the complexity. Fees for these services will generally be payable as follows: ½ upon signing engagement letter, ½ upon Firm's furnishing the completed report to client.

***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

Not Applicable.



### *Types of Clients*

Form ADV Part 2A, Item 7

Valley National Advisers Inc. provides advisory services to the following types of clients:

- Individuals
- Pension Plans
- Profit Sharing Plans
- Trusts
- Estates
- Charitable organizations
- Corporations and other business entities.
- Government Entities

As previously disclosed in Item 5, there may be a minimum annual account fee of \$500.

***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

Fundamental, technical and cyclical analysis will be used as methods of securities analysis.

Long term purchases (securities held at least a year), short term purchases (securities held less than a year), trading (securities sold within 30 days) and margin transactions will be used as investment strategies.

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 Valley National Advisers Inc.) will be profitable or equal any specific performance level(s).

All investments carry associated risk of loss.

***Disciplinary Information***

Form ADV Part 2A, Item 9

No disciplinary events to disclose.

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

Form ADV Part 2A, Item 10

Thomas M. Riddle, President, is a FINRA Securities Principal. He is the sole shareholder of this Firm and owns 100% of Valley National Services, Inc., an accounting firm. He also owns 100% of the common stock of Valley National Investments, Inc., a FINRA Broker/Dealer and 100% of Valley National Indemnity Corporation, a life, health and accident insurance broker. Valley National Realty Corp. is owned 100% by Thomas M. Riddle. Valley National Realty Corp. is a managing member of Valley National Properties, LLC, which is a general partner of a limited partnership.

Both Thomas M. Riddle and Valley National Advisers, Inc., owned by Thomas M. Riddle, President and majority shareholder have a minority ownership interest (less than 10%) in National Advisors Holdings, Inc. ("NAH") a Delaware corporation. The business purpose of NAH is as sole owner and operator of National Advisors Trust Company, FSB ("National Advisors Trust"), a Federal Savings Bank that offers personal trust, employee benefit services, IRA, and custodial services to clients on a national basis. National Advisors Trust is currently supervised by the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

The client may choose any insurance broker, brokerage firm or broker dealer they wish for the implementation of the recommendation made by the Firm. In the event that any employee or affiliate of the Firm should act as a securities or insurance agent in implementing any such recommendation, all fees or commissions paid by the client for same will be the usual charges for such services. Insurance products are available through an affiliate of the Firm, Valley National Indemnity, Inc.

**Conflict of Interest:** As disclosed at Item 4 above, the recommendation by Valley National Advisers Inc. advisers' that a client purchase a securities or insurance commission product from the Firm's affiliated broker-dealer and insurance entities presents a ***conflict of interest***, as the broker dealer or the insurance agency *may* receive commissions on investment products recommended. No client is under any obligation to purchase any securities or insurance commission products from Valley National and/or its representatives. Clients are reminded that they may purchase securities and insurance products recommended by Valley National Advisers Inc. through other, non-affiliated broker-dealers and/or insurance agencies.

**Valley National Advisers Inc. Chief Compliance Officer, Thomas M. Riddle, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

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

Form ADV Part 2A, Item 11

The firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. These procedures are designed to assist the CCO in detecting and preventing abusive sales practices. Doubtful situations always should be resolved in favor of advisory clients. We will provide a copy of our Code of Ethics to any client or prospective client upon request. Advisory representatives and affiliates of Valley National Advisers may have a financial interest in affecting business through the affiliated broker, Valley National Investments, and therefore must act within the guidelines set forth in our Code of Ethics.

## ***Brokerage Practices***

Form ADV Part 2A, Item 12

### **The Custodian and Brokers We Use**

Valley National Advisers, Inc. does not maintain custody of client assets that we manage and may recommend various broker/dealers.

Valley National Advisers, Inc. may recommend an affiliate; Valley National Investments, Inc., a FINRA broker/dealer which receives pricing and quotations services at no cost from National Financial Services, LLC, as well as custodial services. Valley National Advisers' rationale for using Valley National Investments, Inc., include the benefits of control of client information and additional compliance requirements. Commissions or standard trading fees charged by the broker are reviewed for reasonableness.

Valley National Advisers, Inc., may recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that clients use Schwab as custodian/broker, clients will decide whether to do so and will open their account with Schwab by entering into an account agreement directly with them. We do not open the account for clients, although we may assist in doing so. Even though client accounts may be maintained at Schwab, we can still use other brokers to execute trades for client accounts as described below.

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

### **Your Brokerage and Custody Costs**

For clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the Schwab account. Schwab's commission rates applicable to client accounts were negotiated based on the condition that our clients collectively transfer a total of at least \$300,000,000.00 of their assets in accounts to Schwab. This commitment benefits clients because the overall commission rates clients pay are lower than they would be otherwise. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities

bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client's accounts.

We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

#### Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

**Services That Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our client and their accounts.

#### Services That May Not Directly Benefit the client.

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Only Us.

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

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

• Access to employee benefits providers, human capital consultants, and insurance providers Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. The \$10 million minimum may give us an incentive to

recommend that clients maintain accounts with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us. We have over \$400,000,000 in client assets under management, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest. See Item 5 above for a discussion of additional conflict of interest involving Schwab.

VNA intends to recommend the services offered by National Advisors Trust on a case-by-case basis to investment advisory clients of the Firm. The Firm intends to recommend National Advisors Trust for client accounts in cases where fiduciary costs, access to investment products, technology support, or other service features offered by National Advisors Trust are deemed by the Firm to be advantageous to the client account or the client when compared with other trustee or custodial services. The Firm does not directly share in any service fees charged to client accounts by National Advisors Trust.

VNA is approved as a Trust Representative Office ("TRO") of National Advisors Trust Company FSB of Overland Park, Kansas. As a TRO office, certified representatives of VNA are permitted to hold client meetings, offer educational seminars, provide informational brochures, fee schedules and other pre-approved marketing materials promoting VNA access to trust, employee benefit, and other fiduciary services offered by National Advisors Trust Company. National Advisors Trust Company may provide its trustee and/or custodial services on behalf of clients referred by VNA under Valley National Trust Services (VNTS), registered with the state or county where VNA is located. The name Valley National Trust Services is owned by National Advisors Trust Company. All promotional materials used by VNA through the TRO office must clearly state that services offered by Valley National Trust Services are provided by National Advisors Trust Company.

VNA and VNTS are authorized to use its designation as a TRO office of National Advisors Trust Company on signage, business cards, and other marketing material promoting the investment advisory services offered by VNA. Any promotional materials or advertising must clearly specify that trustee and custodial services are provided by National Advisors Trust Company FSB, Overland Park, Kansas.

National Advisors Trust does not share fees from client accounts, provide referral compensation, or pay revenue of any kind to VNA, its principal officers, and employees for its services as a Trust Representative Office.

As a TRO office, VNA and its employees are not authorized to formally accept any client accounts, sign documents, hold client assets in custody, perform discretionary fiduciary duties (other than investment management of client account assets) or collect fees on behalf of National Advisors Trust Company. VNA may facilitate communications between the client and National Advisors Trust Company, transmit documents for review or signature, or counsel clients on the services provided by National Advisors Trust Company.

**Valley National Advisers Chief Compliance Officer, Thomas M. Riddle, remains available to address any questions that a client or prospective client may have regarding the above arrangements with Schwab and NATC and corresponding conflicts of interest.**



### ***Review of Accounts***

Form ADV Part 2A, Item 13

All accounts are initially reviewed by the financial planners listed in Form ADV Part 2B, Item 2.

All accounts are reviewed for accuracy by the financial planners listed in Form ADV Part 2B, Item 2 whenever a transaction has occurred and reports of such review will be sent to clients. Otherwise, all accounts will be reviewed frequently (quarterly, semi-annually, annually) depending on client's particular needs and situations with appropriate reports sent to clients.

Accounts may also be reviewed periodically by one or more of the financial planners listed in Form ADV Part 2B, Item 2.

### *Client Referrals and Other Compensation*

Form ADV Part 2A, Item 14

Firm may employ the services of paid solicitors.

Firm's principal business (75%) will consist of providing the services set forth above and may also, in connection therewith. Thomas Riddle is actively engaged in managing and operating other businesses, as described in Item 10, above.

Laurie A. Siebert has a weekly radio program titled "Your Financial Choices with Laurie A. Siebert, CPA, CFP®, AEP®". Laurie's radio show is an extemporaneous discussion concerning a wide range of general financial planning issues including income taxes and answers to questions posed by listeners. Any mention of any security products, variable annuities, variable life insurance, or options is incidental.

As described in items 10, 11 and 12, affiliates of the Firm may receive sales charges on the sale of loaded funds, sales commissions, and insurance commissions from a non-client in connection with giving advice to clients.

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

*Custody*

Form ADV Part 2A, Item 15

None.

Under government regulations, we are deemed to have custody of client assets if, for example, the clients authorize us to instruct a custodian to deduct advisory fees directly from their accounts. Unaffiliated custodians like Schwab, National Financial Services and National Advisors Trust Company maintain actual custody of client assets. Clients will receive account statements directly from those custodians at least quarterly. They will be sent to the email or postal mailing address provided to the custodian by the client. Statements should be reviewed carefully and promptly when received by the client.

***Investment Discretion***

Form ADV Part 2A, Item 16

By reason that the Firm will have discretionary authority, the Firm will decide which securities to buy and sell, the quantities and timing of buys and sells. Typically, without specific client instructions, the Firm will not have the power to transfer funds or securities to or from a client's account.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

Firm will not vote proxy statements on behalf of advisory clients. Clients will receive their proxies or other solicitations directly from the custodian. Firm may tender shares for discretionary advisory clients under tender offers if the firm determines that such tender is in the best interest of the client. Although it is the general policy of the firm not to vote proxy statements on behalf of advisory clients, proxy statements may be voted in certain relationships involving National Advisors Trust Company.

***Financial Information***

Form ADV Part 2A, Item 18

Since the firm will not receive fees more than six months in advance, no financial information is required to be reported in this section.

***Requirements for State-Registered Advisers***

Form ADV Part 2A, Item 19

Not applicable.

*Additional Information*

None.