

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

**Abundance Wealth Counselors, LLC**

232 Regent Court  
State College, PA 16801

Telephone: 814.861.3810  
Email: [jschaffer@abundancellc.com](mailto:jschaffer@abundancellc.com)  
Web Address: [www.abundancellc.com](http://www.abundancellc.com)

01/15/2014

This brochure provides information about the qualifications and business practices of Abundance. If you have any questions about the contents of this brochure, please contact us at 814.861.3810 or [jschaffer@abundancellc.com](mailto:jschaffer@abundancellc.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Abundance 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 111740.

## Item 2 Material Changes

This Firm Brochure, dated 01/15/2014, provides you with a summary of Abundance's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. **Annual Update:** We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. **Material Changes:** Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 04/29/2013:

1. **Executive Officers:** Effective January 15, 2014, John J. Schaffer has been appointed as Chief Compliance Officer of Abundance. Geoffrey P. Caber will remain as Chief Investment Officer.
2. **Item 13. Review of Accounts:** The composition of the investment committee has changed to remove Taylor B. Decker and add Robert A. Ayotte. As a result, Robert will be joining the investment committee in reviewing investment management and retirement accounts.
3. **Item 10. Other Financial Industry Activities and Affiliations:** Abundance or related persons may act as a general partner or managing member to outside pooled investment vehicles. Additionally, Abundance has formed Abundance Equity Partners, LLC to package limited partnerships and other pooled investment vehicles, and act as a general partner or managing member in future investment opportunities. Abundance may act as a service agent or investment adviser to such pooled investment vehicles. Conflicts of interest will be disclosed to clients prior to offering such investment opportunities to them as part of our advisory business.
4. **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading:** Abundance may now engage in principal and cross transactions. We will abide by all regulations and requirements and will disclose when such activity takes place.

<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	8
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	14
Item 10	Other Financial Industry Activities and Affiliations	14
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12	Brokerage Practices	18
Item 13	Review of Accounts	21
Item 14	Client Referrals and Other Compensation	22
Item 15	Custody	22
Item 16	Investment Discretion	23
Item 17	Voting Client Securities	23
Item 18	Financial Information	24

## **Item 4     Advisory Business**

Abundance Wealth Counselors, LLC is a full-service, SEC-registered investment adviser with its principal place of business located in State College, PA. Abundance Wealth Counselors, LLC began conducting business in 2001.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

· Richard F. DeFluri, Principal

Abundance provides wealth advisory services, investment management services, and ancillary services to individuals and families. Additionally, Abundance offers retirement plan solutions to both organizations and individuals.

Abundance operates a multi-family office and takes a holistic approach to client service, handling and coordinating all aspects of a client's financial life. We provide counseling on investments, personal cash flow, risk management, tax planning, wealth transfer, estate planning, asset protection, and charitable planning, which enables us to formulate, integrate, coordinate, and monitor our client's financial health. Our services include everything from working on a specific area of a client's financial plan to full service investment management of a plan developed for a client and his or her specific situation and needs.

### **WEALTH ADVISORY SERVICES**

Abundance wealth advisory services involve the gathering of information through discussions with the client regarding the client's financial goals and objectives. Our initial data collection also includes requesting and obtaining relevant records and documentation necessary to establish a comprehensive financial profile. During periodic meetings or other communications with clients, Abundance seeks to verify that there have been no changes in their financial goals or circumstances.

We analyze possible solutions and take into account relevant factors. In our wealth advisory relationship we periodically meet with clients to review and update the client's information, to measure progress in key financial areas, and to develop strategies designed to address changing circumstances.

Abundance generally provides advice on the following securities including but not limited to:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Interests in partnerships investing in real estate

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

As a client's financial strategies are developed, we assist with their implementation, as requested by the client. We also follow-up, monitor and make changes as circumstances indicate, based on the nature of the client engagement.

Wealth advisory clients typically receive a copy of the financial strategy that is developed and discussed during the time we work together. If there are questions, these are reviewed in our ongoing discussions, or between meetings, through whatever means of communication is most convenient for the client. When acceptable to the client, we make active use of the telephone, email, and other forms of electronic or written communication as well as face-to-face meetings.

Wealth advisory analysis, reports, and subsequent modifications are services separate from our investment management services. Clients have full discretion as to the extent to which, if at all, they choose to implement the Abundance recommendations discussed in the financial strategic planning phase. There are no requirements to use Abundance for investment management services.

Ordinarily, our investment management services are part of the implementation process that occurs once the initial financial strategic planning phase has been accomplished. Use of our investment management services is not required of those who wish to use our wealth advisory services exclusively. Clients who engage Abundance exclusively for wealth advisory services will receive those services in exchange for the fees agreed to by the client and Abundance.

## **INVESTMENT MANAGEMENT SERVICES**

Abundance provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions with the client, goals and objectives are established based on the client's particular circumstances. Our investment management services are generally a continuation of our wealth advisory services, taking the plan developed for each client, implementing, and managing it. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Client Assets are primarily managed to the Abundance Strategic Allocation Portfolio (ASAP), which is a diversified investment strategy consisting primarily of equity investments and fixed income products. Abundance also offers Abundance Enhanced Fixed Income Strategy to clients. This is a portfolio developed to provide fixed income for client accounts, and consists of fixed income products using short-term bond ladders.

We manage investment accounts on a discretionary, and less frequently on a non-discretionary basis. Account supervision is guided by the client's established objectives, 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 the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Interests in partnerships investing in real estate

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.

### **RETIREMENT PLAN SOLUTIONS**

We also provide several retirement plan solutions, either separately or in combination with one another. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we also offer these services to individuals, trusts, estates, and charitable organizations.

***Fiduciary Plan-Level Services:*** Acting in a fiduciary capacity, Abundance offers the following Retirement Plan Solutions services to the client (i.e., the plan sponsor):

1. **Non-Discretionary Investment Advice:** Abundance will monitor the selected funds and provide periodic reports documenting investment performance based on the procedures and timing intervals delineated in the plan's Investment Policy Statement (IPS). Abundance will maintain a watch list for funds that fail to meet the established criteria, and upon client approval, we will remove and replace investment options as warranted. Periodically we will meet with the client to review the investment options and their compliance with qualitative and quantitative criteria as set forth in the IPS, and to discuss the reports.

2. **Discretionary Investment Services:**

***Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*** We will meet with the client to determine an appropriate investment strategy. Abundance will prepare a written IPS that reflects the plan sponsor's stated investment objectives for management of the overall plan. The IPS will detail those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance. Abundance has the authority and responsibility to develop the IPS and the sole authority to amend it.

***Selection of Investment Vehicles:*** Consistent with ERISA Section 404(c) and the regulations thereunder. Abundance will select a broad range of investment options to implement the IPS.

*Management of Plan Assets:* Abundance will provide ongoing and continual discretionary investment management to the plan assets in accordance with the IPS.

*QDIA Consultation:* Abundance will consult with the client to (i) ascertain whether the plan should have a qualified default investment alternative ("QDIA") for those participants who are automatically enrolled in the plan or who otherwise fail to make an investment election and (ii) consider the type of investment to serve as QDIA (e.g., target date fund, balanced fund or managed account). If the client determines that (i) a QDIA will be included in the plan and (ii) the type of investment that will serve as QDIA, Abundance will select the investment to serve as the QDIA. The client retains sole responsibility to provide all notices required under ERISA Section 404(c)(5).

In addition to the aforementioned services in which Abundance performs fiduciary services, we will also provide the following non-fiduciary services to the plan sponsor. Abundance may provide such services directly or, alternatively, may arrange for the Plan's other service providers to offer such services, as agreed upon between Abundance and the client.

### 3. Plan-Level Non-Fiduciary Services.

*Enrollment Meetings:* Assist in the group enrollment meetings designed to (i) increase retirement plan employee participation and (ii) enhance investment and financial understanding by those employees.

*Fiduciary Responsibilities Support:* Assist the client in understanding its fiduciary obligations and advise when regulatory changes occur, which could impact its fiduciary responsibilities.

*Monitoring Service Vendors:* Assist the client in selecting, monitoring, and supervising service vendors, and coordinate the transition process if the service vendor is replaced.

***Participant-Level Non-Fiduciary Services:*** Abundance also provides educational support and investment workshops designed for plan participants to assist in their understanding of general investment principles and the investment alternatives available under the plan. The scope of the education is consistent with and within the scope the definition of investment education as set forth in section (d) of the Department of Labor's Interpretive Bulletin 96-1. As such, Abundance is not providing fiduciary advice (as defined in ERISA) to the participants. The educational support and investment workshops will not provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Consistent with the aforementioned educational support parameters, Abundance will assist in continuing education meetings for employees on topics related to financial planning. We will also be available for participants' plan education-related phone calls and one-on-one participant education meetings to assist new employees in their understanding of the plan and the enrollment process.

## **ESTATE CONSULTING SERVICES**

Abundance may be engaged by an executor of a client's estate to provide various support services. Any transactions effected by Abundance on behalf of the estate will be conducted only on a non-discretionary basis. Depending upon the nature of the client's holdings and the size and scope of the estate, our services may include but are not necessarily limited to:

- Assistance with the dissolution of the estate
- Date of Death Valuation
- Distribution of monies
- Coordination with client's advisers (e.g., attorney(ies) and accountant(s))

## **AMOUNT OF MANAGED ASSETS**

As of 12/31/2013, we were actively managing \$451,165,503 of client assets on a discretionary basis plus \$478,192 of client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **WEALTH ADVISORY SERVICES**

Abundance's wealth advisory 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 wealth advisory fees are calculated and charged on an hourly basis, ranging from \$175 to \$300 per hour for services provided by our advisers, and \$75 per hour for clerical/administrative services. Although the length of time it will take to provide the engagement will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. Depending on the nature of the engagement, Abundance may negotiate a fixed fee based on the scope of the services to be provided.

While fees for these services are typically billed upon completion, we may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months, with the balance due upon completion of the engagement.

***Wealth Advisory Fee Offset:*** Abundance reserves the discretion to reduce or waive the hourly fee and/or the negotiated fixed fee if a financial planning client chooses to engage us for our investment management services.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). 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.



## INVESTMENT MANAGEMENT SERVICES

The annual fees for our investment management services are charged as a percentage of assets under management, plus where applicable, certain fixed annual fees as described below.

<i>Market Value of Assets</i>	<i>Annual Fee</i>
\$ 0 - \$2,000,000	1.00%
\$ 2,000,001 - \$3,000,000	0.95%
\$ 3,000,001 - \$4,000,000	0.90%
\$ 4,000,001 - \$5,000,000	0.85%
\$ 5,000,001 - \$10,000,000	0.80%
\$10,000,001 - \$15,000,000	0.70%
\$15,000,001 - \$20,000,000	0.60%
\$20,000,001 and above	Negotiable

### *Abundance Enhanced Fixed Income Strategy* 0.40%

An annual fee of 40 basis points (0.40%) will be charged to accounts comprised solely of fixed income securities.

Fixed annual fees are assessed as follows:

Cash/Checking/Money Market Assets	\$50 annual fee, billed annually in advance
ILIT / Loan Administration Services	\$350 annual fee, billed annually in advance

Abundance excludes certain assets when calculating management fees. We will identify such assets and inform the client when this situation applies.

It is our policy to require that a client's investment management account initially maintains a minimum account balance of \$500,000. However, a lower limit may apply upon specific review of the client's financial position and needs. A minimum account value of \$100,000 is generally required to establish and maintain an Abundance Enhanced Fixed Income Strategy portfolio.

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

Abundance requires each client to enter into a Client Services Agreement which sets forth the rights and obligations of the adviser and the client. The Agreement provides that fees charged for investment management services are payable monthly in advance on a pro rata basis utilizing the then-current fee structure, and calculated upon the market value of assets in the client's account on the last business day of the preceding month. Fees are typically paid via deduction from a client's account or the client may elect to pay fees separately.

Client Fee schedules are subject to an annual fee review using the account's year-end market value. Generally, any deposits or withdrawals a client makes in excess of \$500,000 during a given year will generate a fee schedule review at that time so that the client's account is billed proportionately.

The forgoing fees are for the investment management services of Abundance only, and are in addition to any management fees and expenses paid to investment companies where client funds are invested, or any transaction fees or commissions incurred in the buying and selling of the assets in the client portfolios. Abundance provides administrative services for certain clients at a fixed fee which is agreed upon in advance.

***Limited Negotiability of Advisory Fees:*** Although Abundance has 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.

## **RETIREMENT PLAN SOLUTIONS**

Typically, the annual fee ranges from 0.20% to 1.00% of plan assets depending on the services requested and the size of the plan. Fees will be calculated based upon the value of the plan at the end of the previous period. Client fee schedules are subject to an annual fee review using the account's year-end market value.

## **ESTATE CONSULTING SERVICES**

Estate Consulting Services are provided for a fixed fee generally ranging from \$500 to \$2,500 depending upon the range of services required and the size and composition of the estate's assets. The specific fee is identified in the agreement between Abundance and the Estate's Executor. Fees will generally be billed at the end of the engagement.

Alternatively, Abundance may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months, with the balance due upon completion of the engagement.

## **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 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Abundance 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.

***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 Abundance's 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:*** Abundance is 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, Abundance 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. If Abundance does provide investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, we will only do so when such fees are used to offset Abundance's advisory fees.

***No Responsibility for Client Directed Orders:*** Clients may direct Abundance to purchase or sell securities on their behalf ("client directed transactions"). Abundance does not take investment advisory responsibility for such transactions. Further, we retain the discretion to include or exclude such investments from the client's portfolio managed by our firm. If securities purchased in this manner are held in a segregated portion of the client's account (e.g., non-managed assets) then such securities shall not be included in the valuation of the account for purposes of calculating the advisory fee.

***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**

Abundance does not charge performance-based fees.

## **Item 7 Types of Clients**

Abundance provides 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)
- Other pooled investment vehicles (e.g., Limited Partnerships)

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:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**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.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**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.

**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

Abundance's primary investment strategy, the ***Abundance Strategic Allocation Portfolio***, is a diversified investment strategy generally consisting of individual equity and fixed income products, mutual funds and exchange-traded funds (ETFs) for managed accounts (i.e., accounts with investible assets greater than \$350,000), based upon a balanced or moderate allocation. Typically, accounts with assets less than \$350,000 are managed utilizing mutual funds and ETFs to mirror the Abundance Strategic Allocation Portfolio. Additionally, all accounts adhering to this investment strategy will utilize certain mutual funds and ETFs whose investment strategies focus on alternative asset allocations. Clients will be invested into this strategy unless there is an exception based upon the client's investment objectives, risk tolerance, net worth, net income, or other factors. Clients whose assets are managed utilizing a strategy other than our Strategic Allocation Portfolio will be provided with a portfolio profile for their signature which reflects the agreed upon investment strategy.

We also offer the ***Abundance Enhanced Fixed Income Strategy*** for portfolios comprised of fixed income and alternative investments primarily in the form of mutual funds and/or ETFs. This strategy, structured using a short-term bond ladder along with an extension of Abundance's current hedging strategy, seeks to outperform the current money market rate of return over a one to three year investment horizon. Generally, Abundance requires a minimum of \$100,000 for this tactically focused portfolio.

We use the following strategies in managing client accounts, provided that such strategies 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.

***Trading.*** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

***Risk of Loss.*** Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

## **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**

In addition to his role as the Principal of Abundance, Richard F. DeFluri, serves in various capacities for affiliated and unaffiliated companies as detailed below. Richard F. DeFluri serves as the Managing Member of Abundance Risk Management, LLC (ARM), a Pennsylvania limited liability company.

ARM was established to receive and distribute revenues from the sale of life, long term disability and/or long term care lines, all of which are insurance related products. These revenues are generated from the sale of qualifying insurance products by individuals within the firm that hold the appropriate insurance licenses.

Richard F. DeFluri is also the President and sole director of Richard F. DeFluri, Ltd (RFDL), a Pennsylvania corporation, which previously employed Richard F. DeFluri as an insurance agent and had agreements with a number of insurance companies. Since the formation of ARM no new business is being written through RFDL. The source of its income is through trailing commissions from business placed prior to the formation of ARM.

Geoffrey P. Caber, the Chief Investment Officer, and Holly G. McDonough, a Client Relationship Manager, are separately licensed as registered representatives of Purshe Kaplan Sterling Investments ("PKS"), a FINRA registered broker-dealer.

Associated persons of Abundance are also insurance agents or brokers for one or more insurance companies. As such, these individuals, in their separate capacities as registered representatives and/or insurance agents or brokers, will be able to effect securities transactions and/or purchase investment products (insurance) for clients, for which they will receive separate, yet customary compensation. 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.

Abundance advisory clients needing insurance related products may be referred to ARM and ARM insurance clients needing advisory services may be referred to Abundance. There are no referral arrangements or referral fees paid by either firm; clients are under no obligation to engage either firm, if recommended.

When appropriate, Abundance may recommend certain products and investment opportunities to clients that may financially benefit other clients. When offering an investment opportunity or product under this scenario, Abundance will disclose its relationship with the offeror of the product or investment opportunity to the client considering the investment or purchase, in order to mitigate any conflicts of interest that exist or may arise.

To mitigate the potential conflicts of interest, insurance assets on which Abundance is compensated from a third-party will be excluded from Abundance's calculation of advisory fees. While these individuals endeavor at all times to put the interest of the clients first as part of Abundance's 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.

***Other pooled investment vehicle(s):***

Management personnel of Abundance may also be managing member(s) of limited liability companies (LLCs) and/or general partner(s) to limited partnerships (LPs) formed for investment purposes. As appropriate, our advisory clients may be solicited to invest in such LLCs and/or LPs. Neither Abundance nor these related persons of our firm receive investment advisory compensation in relation to these investments, but do have a conflict of interest in soliciting client investments, as they receive general partner fees or other outside compensation.

Because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Related persons of our firm may spend as much as 30% of their time on these related activities.

A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.A. Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

Clients interested in investing in the partnership/company should refer to the partnership's/company's private placement memorandum for more information specific to the partnership/company.

Abundance and/or Management personnel of Abundance are related, through common ownership and control, to Abundance Equity Partners, LLC, a company formed to create, package, and manage limited partnerships (or similar pooled investment vehicles hereinafter referred to as "entities") for investment purposes. Related persons of Abundance may also act as general partner or manager of these entities.

In addition, our firm may serve as the investment adviser to such entities. Advisory clients of our firm may be solicited to invest in these entities; however, because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Clients are under no obligation to invest in any of the above described entities or to implement any advisory recommendations.

## **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.

Abundance 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.

Abundance'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 [jschaffer@abundancelc.com](mailto:jschaffer@abundancelc.com), or by calling us at 814.861.3810.

Abundance or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

Abundance may, at times, effect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

An agency cross transaction is a transaction where our firm acts as an investment adviser in relation to a transaction in which Abundance or any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction.

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 may have an interest or position in certain securities 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 and transaction costs will be shared equally and on a pro-rata basis. 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 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 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**

**Brokerage Discretion:** Except in those instances where a client wishes to retain discretion over broker selection and commission rates, Abundance accepts discretionary authority to determine the brokers used and the commissions paid.

Abundance requires clients that wish to retain brokerage discretion to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions. These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

**Directed Brokerage:** If a client has a pre-established relationship with a broker that they would like to maintain, they may instruct Abundance to execute all transactions through that broker. In the event that a client directs Abundance to use a particular broker or dealer, it should be understood that Abundance will not have authority to negotiate commissions, obtain volume discounts, and best execution may not be achieved. Under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

**Trade Aggregation and Allocation:** Abundance 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, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Abundance will seek to block trades among clients to improve cost pricing. Clients who direct the use of a broker other than Fidelity will not be aggregated with client accounts at Fidelity, and will be traded after Fidelity accounts which could result in different trade execution pricing.

Abundance's 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 Abundance, or our firm's order allocation policy.
- 2) 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 Abundance 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 or at a flat rate based upon the amount of assets custodied with the custodian/broker.

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) Abundance'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 Abundance'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.

Abundance maintains a fixed income trading relationship with Mid-Atlantic Capital Corp. (MACC), an unaffiliated registered broker-dealer, which assists Abundance with its fixed income investment strategy and management services.

Under this relationship, MACC provides fixed income research, trading and monitoring services in exchange for Abundance's fixed income order flow. We have negotiated competitive commission rates for our clients on fixed income transactions, taking into account the services provided. Abundance also maintains other fixed income trading relationships with broker-dealer firms in addition to MACC.

Abundance has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides our firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering 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 fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Abundance may contract directly.

Abundance is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisory clients 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 Fidelity or that settle into Fidelity accounts (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

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 Abundance's 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 Abundance 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.

## **Item 13    Review of Accounts**

### **WEALTH ADVISORY 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 Wealth Advisory clients unless otherwise contracted for.

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

### **INVESTMENT MANAGEMENT SERVICES**

**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 reviewed by:

- Richard DeFluri – Principal
- Daniel McCurdy – Financial Advisor
- Geoffrey Caber – Chief Investment Officer
- Robert Ayotte – Investment Management Specialist
- Jamie Felker – Chief Executive Officer

**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.

## **RETIREMENT PLAN SOLUTIONS**

**REVIEWS:** Abundance will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Abundance will 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:

- Richard DeFluri – Principal
- Daniel McCurdy – Financial Advisor
- Geoffrey Caber – Chief Investment Officer
- Robert Ayotte – Investment Management Specialist
- Jamie Felker – Chief Executive Officer

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

## **ESTATE 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 Wealth Advisory clients unless otherwise contracted for.

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

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

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

### **OTHER COMPENSATION**

Our firm and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **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.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **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**

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

Unless we've received client direction, we utilize independent, third-party firms to evaluate and vote all client proxies. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. All proxies will be voted in the best interests of our clients and in accordance with our established policies and procedures.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting the Chief Investment Officer by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact the Chief Investment Officer by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us by email at [gcaber@abundancellc.com](mailto:gcaber@abundancellc.com), by phone at 814.861.3810, or by fax at 814.861.3811.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Abundance has no such financial circumstances to report.

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.

Abundance has not been the subject of a bankruptcy petition at any time.