

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

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This brochure provides information about the qualifications and business practices of Riazzi Asset Management, LLC ("RAM"). If you have any questions about the contents of this brochure, please contact us at 937-643-1000 or [jcr@riazzimgmt.com](mailto:jcr@riazzimgmt.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. RAM is a registered investment adviser. Reference to RAM as a registered investment adviser does not imply any particular level of skill or training.

Additional information about RAM 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 143745.

**Item 2    Material Changes**

The following material changes have been made to our Form ADV, Part 2A, Disclosure Brochure since our last filing on February 27, 2013.

Item 8 has been amended to more fully describe option trading.

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#### **Item 4     Advisory Business**

Riazzi Asset Management, LLC (hereinafter "RAM") is a SEC-registered investment adviser with its principal place of business located in Dayton Ohio. RAM began conducting business in 2007. John C. Riazzi, Managing Member and Chief Compliance Officer of RAM, is the firm's sole principal shareholder. (For purposes of this Disclosure Brochure, "principal shareholder" is defined as a person controlling 25% or more of the company).

RAM offers the following advisory services to our clients:

#### **PORTFOLIO MANAGEMENT SERVICES**

We provide portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. We will manage these advisory accounts on a discretionary basis only.

Through personal discussions with the client in which the client's goals and objectives are established, RAM will determine which model portfolio is suitable to the client's circumstances. Once the appropriate portfolio has been determined, the portfolio will be managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, will have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

Portfolios most typically will consist of individual equities (including exchange-listed securities, securities traded over-the-counter or foreign issuers), bonds (including warrants, corporate debt securities, commercial paper, certificates of deposit, and United States governmental securities) and no load or load-waived mutual funds and exchange traded funds (ETFs). However, we may provide advice with respect to options contracts on securities held in client accounts. Mutual funds and ETFs will be selected on the basis of any or all of the following criteria as they relate to the security or its underlying index: performance history; industry sector; the investment manager, management style and philosophy; track record; investment objectives; composition and focus, and; fee structure and expenses.

Clients will retain individual ownership of all securities. In order to ensure that RAM's initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner fitting the client's financial circumstances, RAM will maintain client suitability information in the client's file. In addition, RAM will contact clients at least annually to determine whether there have been any changes in the client's financial situation and whether the client wishes to impose investment restrictions or modify existing restrictions.

We will monitor Portfolio Management Services accounts at least monthly and will rebalance as appropriate. If RAM believes that a particular investment is performing inadequately, or if RAM believes that a different investment is more suitable for the portfolio's goal, then RAM will reinvest the client's assets accordingly pursuant to the discretionary authority granted by the client. When appropriate to the needs of the client, RAM may recommend the use of margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended for use in portfolios where it is consistent with the client's stated tolerance for risk.

## RAM WRAP FEE ADVISORY PROGRAM

RAM also offers portfolio management services to clients as the sponsor and sole investment manager of the RAM Wrap Fee Advisory Program (hereinafter the Program). A wrap-fee program is one that provides the client with advisory and brokerage execution services for an inclusive fee. The client is not charged separate fees for these respective components of the total service, though there may be additional costs for fees and expenses charged by mutual funds and exchange traded funds (ETFs) to their shareholders, exchange fees, transfer taxes or certain administrative fees for wire transfers or certificate issues. RAM currently markets the Program through the use of third-party solicitors only which receive a portion of the fee paid by clients referred to the Program.

Transactions in Program accounts are effected "net," i.e., without separate commission charge to the client, and a portion of the wrap fee is generally considered as being in lieu of commissions. In evaluating the Program, clients should consider therefore that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if RAM were to negotiate commissions and seek best price and execution of transactions for the client's account.

We generally require a minimum account size of \$100,000 for participation in the Program. This account size may be negotiable under certain circumstances. We may group certain related client accounts for the purpose of achieving the minimum account size. For more information regarding the Program, including the fee schedule and other important information, clients should refer to the disclosure document (Form ADV, Part 2A, Appendix 1) for the Program.

### AMOUNT OF MANAGED ASSETS

As of 12/31/2013, we were actively managing \$125,327,978 of clients' assets on a discretionary basis. As of that date we also were overseeing another \$2,075,591 on behalf of clients without trading authorization.

## Item 5 Fees and Compensation

### PORTFOLIO MANAGEMENT SERVICES

The annual fee for portfolio management services will be charged as a percentage of assets under management depending on the portfolio's investment strategy, according to the following schedule:

For **Large Cap Value** (with or without options) and **Balanced** (with or without options):

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
\$100,000 - \$3,000,000	0.65%
\$3,000,001 - \$5,000,000	0.50%
Next \$5,000,000	0.40%
Next \$10,000,000	0.35%

In addition to the above, certain existing clients previously had engaged RAM to provide Portfolio Management Services using an All Cap Value strategy. RAM no longer offers this strategy to new clients and will be phasing out this strategy and working with each such existing client to transition him/her to an appropriate strategy offered by the firm, as applicable, in the coming months. For legacy accounts in the **All Cap Value** strategy, RAM charges an annual fee as previously agreed with these clients. Such legacy fee schedules were applicable to the All Cap Value strategy and are no longer offered to clients generally.

A minimum of \$100,000 of assets under management is required for Portfolio Management Services. This account size may be negotiable under certain circumstances. We may group certain related client accounts for the purposes of achieving the minimum account size and for determining the annualized fee. Clients will be invoiced or their accounts directly debited, as authorized, in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter.

### GENERAL INFORMATION

**Negotiability of Fees:** In certain circumstances, all fees may be negotiable. In addition, certain family members and personal acquaintances of our affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

**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.

**Fund Fees: Other Fees and Expenses:** All fees paid to RAM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds (hereinafter "ETFs" and collectively with mutual funds, "funds") to their shareholders. For mutual funds, 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 fund directly, without the services of RAM. In that case, the client would not receive the services provided by RAM which are designed, among other things, to assist the client in determining which 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 the fees charged by RAM 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. Such fees may include, but are not limited to, any custodial and transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports. As disclosed above, clients enrolled in the RAM Wrap Fee Advisory Program will not incur separate brokerage charges for transactions executed in their account. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**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.

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

RAM does not charge performance-based fees to any client.

## **Item 7 Types of Clients**

RAM provides advisory services to individuals, pension and profit sharing plans, trusts, estates or charitable organizations and corporations or other business entities.

As disclosed at Item 5 of this Brochure, our firm has established certain minimum account requirements. 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 AND ASSOCIATED RISKS***

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

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

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

***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 other fund 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 fund or ETF less suitable of 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 AND ASSOCIATED RISKS**

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

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages 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.

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

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

RAM does not use margin trading as an investment strategy *per se*; rather, margin is used for settlement of trades and is quickly eliminated through liquidation of other portfolio assets. As billing is based on quarter-end values, it is possible, but unlikely, that a margin balance would be carried through quarter-end. To address this potential conflict of interest, RAM does not include margin-inflated values when calculating assets under management for billing purposes.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the investor the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the purchaser of the call the right to buy the underlying security at a certain price within a specific period of time. A call obligates the seller of the call to buy the underlying security at a certain price within a specific period of time. We will sell a call if we have determined that the stock has reached our valuation metrics and we are willing to trim or sell the entire position at the specified contract price. We will buy a call in the event we do not want to purchase the stock outright.



- A put gives the purchaser of the put the right to sell the underlying security at a certain price within a specific period of time. A put obligates the seller of the put to buy the underlying security at a certain price within a specific period of time. We will sell a put if we have determined that the price of the stock, at which the contract price is set, is an attractive entry point for purchase of the stock. We will buy a put if we do not want to sell the underlying security but want to protect our downside risk.

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

## **Item 9 Disciplinary Information**

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

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

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

Neither RAM nor any of our management persons engage in other financial industry activities or have any other arrangement or relationship material to advisory clients or which creates a conflict of interest with advisory clients. Neither RAM nor any of our management persons recommend or select other investment advisers for advisory clients for which compensation is received.

## **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.

RAM 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.

RAM'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 [jcr@riazzimgmt.com](mailto:jcr@riazzimgmt.com), or by calling us at 937-643-1000.

RAM and individuals associated with our firm are prohibited from engaging in principal transactions. RAM and individuals associated with our firm are also prohibited from engaging in agency cross transactions.

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

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

It is the expressed policy of our firm to prevent employees from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12 Brokerage Practices**

### **PORTFOLIO MANAGEMENT SERVICES**

RAM does not accept brokerage discretion from clients. As a result, clients must direct RAM as to the broker dealer to be used when placing trades for his/her account. In directing the use of a particular broker or dealer, it should be understood that RAM will not have authority to negotiate commissions among various brokers on a trade-by-trade basis or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients directing the use of the same or a different broker.

The client's choice of broker may effect RAM's ability to make certain trades or otherwise service the client's account in the ordinary course of business.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, RAM may recommend the use of one of several brokers provided that such recommendation is consistent with our fiduciary duty to the client. RAM clients must evaluate these brokers before opening an account. The factors considered by RAM when making this recommendation are the broker's ability to provide professional services, RAM 's experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to direct the use of any recommended broker. However, if RAM believes that the use of a broker selected by the client would hinder our ability to service the account or to meet our fiduciary obligations to the client, we will not be able to accept the account.

***Trade Aggregation and Broker Rotation:*** It is RAM's policy and practice to block trades where possible and when advantageous to clients. Blocking trades permits RAM to trade an aggregate block of securities composed of assets from multiple client accounts. Block trading may permit equity trades to be executed in a timelier and more equitable manner while allowing RAM to obtain an average share price for clients participating in the block.

Partial fills of blocked trades will generally be allocated on a pro rata basis. However, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account or to avoid deviations from pre-determined minimum/maximum holdings limits established for any account among other acceptable allocation considerations.

Trades placed in the accounts of clients directing the use of a particular broker will typically not be aggregated with trades placed in the accounts of clients directing the use of a different broker dealer. As a result, RAM will generally seek to rotate the order of execution at various brokers, i.e., trades placed in the accounts of clients directing the use of a particular broker or dealer are rotated with

transactions placed in accounts of clients directing the use of a different broker dealer. By these means, RAM seeks to ensure that, over time, no client is systematically disadvantaged as a result of the order in which their account is traded.

***Client Referrals from Broker Dealers:*** Brokers or dealers may from time to time refer clients to RAM. RAM will not make commitments to refer any such broker or dealer to clients or to compensate such broker or dealer through transactions in exchange for client referrals; however, a potential conflict of interest may arise between the client's interest in a suitable brokerage recommendation and RAM's interest in receiving future client referrals. Under such circumstances, clients (including clients referred by a broker or dealer) should be aware of their various brokerage options, including utilizing the services of the referring broker, choosing another broker, or utilizing a brokerage firm recommended by RAM to provide custody and execution services.

***Trade Error Correction:*** It is RAM's practice to seek to identify and correct trade errors in client accounts without disadvantaging the client in any way. Should RAM discover a trade error in a client account, it is the firm's policy to correct the error (or seek to have the error corrected if attributable to the executing broker) so as to place the client in as good a position as the client would have been in had the error not occurred. If the correction of a trade error results in a gain, an amount equal to the gain shall be either: 1) given to the client if and when possible given the circumstances of the trade and the policies of the particular executing broker; or 2) retained by the broker dealer pursuant to its internal policies and practices. Clients should note that, in practice, gains resulting from trade error corrections are typically retained by the executing broker dealers pursuant to those firms' internal policies and practices.

***Soft Dollar Arrangements:*** RAM does not have soft dollar arrangements or otherwise receive research or other products or services, other than execution, from a broker-dealer or other third party in connection with placing client securities transactions.

### **RAM WRAP FEE ADVISORY PROGRAM**

RAM does not have the discretionary authority to determine the broker dealer/custodian to be used for Program client accounts. RAM has negotiated an arrangement with Charles Schwab & Company, Inc. (hereafter Schwab), an unrelated FINRA registered broker dealer, to provide custodial and brokerage services. RAM has evaluated Schwab and believes that it will provide RAM clients with a blend of execution services, costs and professionalism that will assist RAM in meeting its fiduciary obligations to clients. The designation of a broker other than Schwab would not be consistent with the Program platform. As such, Program clients are required to direct RAM, in writing, to custody the clients Program assets with and to place trades in the clients Program account through Schwab. RAM reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than Schwab. Clients should note that RAM receives certain benefits from Schwab that it would not receive if it did not provide advisory services to clients.

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

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

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

Schwab's products and services that assist RAM 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 RAM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help RAM manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to RAM. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to RAM. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of RAM personnel.

In evaluating RAM's arrangement with Schwab, the client should recognize that brokerage commissions for the execution of transactions in the client's Program account are not negotiated by RAM on a trade-by-trade basis, and best execution may not be achieved. In fact, transactions in the clients account are effected 'net,' i.e., without separate commission charge to the client, and a portion of the wrap fee is generally considered as being in lieu of commissions. The client should consider therefore that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if RAM were to negotiate commissions and seek best price and execution of transactions for the client's account. Not all advisers require clients to direct it use a particular broker dealer, though the sponsors of wrap fee programs typically do. For more information clients should refer to the disclosure document (Form ADV, Part 2A, Appendix 1) for the Program.

## **Item 13    Review of Accounts**

### **PORTFOLIO MANAGEMENT SERVICES**

**Reviews:** While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least monthly by John Riazzi and/or Elizabeth Schaefer, each a member of RAM's Portfolio Management Service Group. 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.

**Reports:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker dealer, RAM will provide quarterly reports summarizing account performance, balances and holdings.

## **RAM WRAP FEE ADVISORY PROGRAM**

Clients enrolled in the Program should refer to the Form ADV, Part 2A, Appendix 1 for information regarding the nature and frequency of reviews and reports provided.

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

RAM currently pays referral fees to unaffiliated third parties (each a “solicitor”) for referring advisory clients to our firm. If a client is introduced to us by either an unaffiliated solicitor, we will compensate that solicitor an ongoing referral fee of approximately 45% of the referred client’s advisory fee paid to our firm.

Payment of referral fees for client referrals creates a potential conflict of interest to the extent that such a referral is not unbiased and the solicitor is, at least partially, motivated by financial gain. Therefore, RAM may be referred to a prospective client even though our advisory services may not be the best suited to the prospective client’s circumstances or when entering into an advisory relationship with us is not, overall, in the best interest of the client. As these situations present a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

1. All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any applicable state securities law requirements;
2. Any such referral fee will be paid solely from our investment management fee, and will not result in any additional charge to the client;
3. We will confirm that at the time of the solicitation, the third party solicitor provided each prospective client with a copy of our Form ADV Part 2 Brochure, together with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between our firm and the solicitor, including the compensation to be received by the solicitor from us; and
4. All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

### **Item 15 Custody**

As disclosed at Item 5 of this Brochure, we may directly debit our fees from client accounts as authorized. Under applicable regulatory interpretations, as a result of this authority, we are deemed to have constructive custody of client assets. As part of this billing process, the client’s custodian is advised of the amount of our fee which the custodian then debits from the client’s account. On at least a quarterly basis, the custodian is required to send a statement to the client that shows all transactions in 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 this calculation, among other things. Clients should contact us directly if he/she believes that there may have been an error in the calculation of their fee or any other information provided in their statement.

In addition, RAM sends internally prepared statements directly to clients. Clients are urged to carefully compare the statements provided by RAM with the statements provided directly from the client's account custodian. Clients should contact us directly at the address provided on the cover page to this Brochure, by email sent to [jcr@riazzimgmt.com](mailto:jcr@riazzimgmt.com), or by calling us at 937-643-1000 if he/she detects any material discrepancy between the two statements.

#### **Item 16 Investment Discretion**

Clients grant us discretionary authority over their accounts when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. This discretionary authority includes, without limitation, the power to select, buy, sell, retain and exchange investments, and exercise such other powers as we deem appropriate to manage and execute transactions for the client's account consistent with the client's financial circumstances. Clients may impose limitations on this discretionary authority and reasonable limitations or restrictions regarding investment of the client's account. Any such restrictions must be in writing. Clients may change or amend these limitations or restrictions at any time. Such amendments must be in writing and must be reasonable.

As previously disclosed in Item 4 of this brochure, our firm does not provide non-discretionary asset management services.

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

Advisory clients may elect to delegate their proxy voting authority to RAM. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case RAM may consult with clients as requested. When RAM has discretion to vote proxies of its clients, it will vote those proxies in the best interests of its clients and in accordance with RAM's established policies and procedures. (With respect to ERISA accounts, RAM will vote proxies unless the plan documents specifically reserve the plan sponsors right to vote proxies).

Clients may obtain a copy of RAM's complete proxy voting policies and procedures by contacting John Riazzi directly at the address provided on the cover page to this Brochure, by email sent to [jcr@riazzimgmt.com](mailto:jcr@riazzimgmt.com), or by calling us at 937-643-1000. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of RAM's complete proxy policies and procedures or how RAM voted proxies for his/her account(s), RAM will promptly provide such information to the client.

#### **Item 18 Financial Information**

RAM has no adverse 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.

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