

Firm Brochure

(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of Del-Sette Capital Management, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at: 518-793-3851, or by email at: bill@del-sette.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Del-Sette Capital Management, LLC (IARD #159052) is available on the SEC's website at www.adviserinfo.sec.gov.

May 27, 2014

Del-Sette Capital Management, LLC

Item 2: Material Changes

Annual Update

The Material Changes section of this Brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

There has been no material changes to the firm's business operations since the last Brochure update. The Brochure is being updated as part of the firm's registration with the SEC. The firm is filing for SEC registration because it now qualifies as a mid-size adviser not subject to examination by the state securities authority of the state where the firm maintains its principal office and place of business.

Full Brochure Available

A full Brochure will be furnished to anyone within seven (7) days of receipt of a written request. Please contact us at: 518-793-3851, or by email at: bill@del-sette.com to receive a complete copy of our firm Brochure.

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Item 4: Advisory Business

Firm Description

Del-Sette Capital Management, LLC ("Del-Sette" or "the Firm") was founded in 2011. Hermes William (Bill) Del-Sette III is 100% owner.

Del-Sette is a fee and commission based financial planning and investment management firm. The Firm provides personalized confidential financial planning and investment management to individuals, high net worth individuals, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning. Bill Del-Sette is also a licensed insurance agent and offers life insurance products, and long term care insurance.

Del-Sette does not act as a custodian of client assets.

Managing member Hermes William Del-Sette III is a licensed insurance agent and tax preparer. Approximately 10% of Mr. Del-Sette's time is spent in this practice. From time to time, he will offer clients products and/or services from these activities.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission and/or fee amount received. This conflict is mitigated by the fact that Mr. Del-Sette has a fiduciary responsibility to place the interest of the client first and the clients are not required to purchase any products or services from him. Clients have the option to purchase these products or services at a higher or lesser cost through another insurance agent or tax preparer of their choosing.

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Types of Advisory Services

Del-Sette provides investment supervisory services, also known as asset management services and furnishes financial planning and investment advice through consultations.

ASSET MANAGEMENT

Del-Sette offers discretionary-direct asset management services to advisory clients. Del-Sette will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize Del-Sette with discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

ASSETS HELD AWAY

Del-Sette also offers asset management services on a client's investments in variable annuities and their employer sponsored retirement plan. Del-Sette will assist clients on

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~~determining selecting suitable investments in their annuity's sub accounts and their employer's retirement plans in regards to their individual investment goals, time horizons, objectives, and risk tolerance, and provide on-going p. Investment strategies, investment selection, and asset allocation portfolio monitoring of the overall investment program based on the above factors. The Firm's oversight is are based on the above factors limited to advising the client within the scope of the selections and restrictions in the respective annuity contract and retirement plan. The accounts will be monitored on a quarterly basis, unless requested otherwise by client. Del-Sette will not have, nor will it accept, any authority to make or effect any disbursements or transfers, from employer sponsored retirement plan accounts.~~

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For clients participating in a 403(b) plan, ~~ASSET MANAGEMENT FOR 403(B) ACCOUNTS WITH ASPIRE~~

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~~Del-Sette works with is associated with Aspire Financial Services. Aspire is a provider of 403(b) retirement plan options. to offer discretionary direct asset management services for clients' 403(b) accounts. Del-Sette's affiliation with Aspire allows the Firm to offer direct asset management services for clients' 403(b) accounts where Aspire is an approved provider of services to the plan. Del-Sette will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize Del-Sette discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.~~

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FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, the client will compensate Del-Sette on an hourly fee basis or fixed fee basis described in detail under "Fees and Compensation" section of this brochure. Services include but are not limited to a thorough review of all applicable topics including Wills, Estate Plan/Trusts, Investments, Taxes, and Insurance. ~~If conflict of interest exists between the interests of the investment advisor and the interests of the client,~~ the client is under no obligation to act upon Del-Sette's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction or purchase any product through Del-Sette. Financial plans are typically completed and delivered inside of sixty (60) days.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

Wrap Fee Programs

Del-Sette does not participate in wrap fee programs.

Client Assets under Management

Del-Sette has approximately \$~~24,267~~,47,258,785 ~~client in~~ assets under management on a discretionary basis. The Firm serves approximately 140 clients with over 350 accounts.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

Del-Sette bases its fees on a percentage of assets under management, hourly charges and fixed fees. Fees are negotiable and may be reduced or waived in certain circumstances.

ASSET MANAGEMENT

Del-Sette offers discretionary direct asset management services to advisory clients.

~~The fees~~The fee for ~~these~~this service ~~will be~~is based on a percentage of Assets Under Management at or below these maximums:

Assets Under Management	Annual Fee	Quarterly Fee
First \$500,000	2.5%	.625%
Next \$500,000	1.5%	.375%
Over \$1,000,000	1.0%	.25%

~~The annual Fee may be negotiable.~~ Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. Initial fees for partial quarters are pro-rated. Quarterly advisory fees deducted from the clients' account by the custodian will be reflected in a quarterly statement provided by the custodian. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-quarter, the client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees.

Comment [LJN1]: Does Del-Sette send a quarterly report too that reflects the fee withdrawal?

~~Asset management fee for assets held~~ ~~SSETS HELD AWAY~~ ~~in an annuity or employer sponsored retirement plan:~~

The fee for this services is based on a percentage of Assets Under Management at or below these maximums:

Assets Under Management	Annual Fee	Quarterly Fee
First \$250,000	1.0%	.25%
Next \$750,000	.75%	.19%
Over \$1,000,000	.50%	.13%

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Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. Initial fees for partial quarters are pro-rated for the time the assets are under Del-Sette's management. Client will be provided an invoice at the commencement of services and every quarter thereafter, payable within ten (10) days of receipt. Clients may choose to pay Del-Sette directly or have the amount deducted from another account managed by Del-Sette. Clients may terminate their account within five (5) business days for a full refund and no obligation. For termination after five (5) business days, client will be entitled to a pro-rata refund based on the number of days account was managed.

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ASSET MANAGEMENT FOR 403(B) ACCOUNTS Asset management fee for 403(b) accounts;

~~The Del-Sette's fees for these services is will be~~ based on a percentage of Assets Under Management at or below these maximums:

Assets Under Management	Annual Fee	Quarterly Fee
First \$250,000	2.0%	.50%
Next \$750,000	1.5%	.375%
Over \$1,000,000	1.0%	.25%

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~~The annual Fee may be negotiable.~~ Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in arrears based on the amount of assets managed as of the last business day of the previous quarter. Initial fees for partial quarters are pro-rated. Quarterly advisory fees will be paid direct to Del-Sette via check, ACH or wire transfer within 45 days from the end of the quarter. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-quarter, the client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees.

FINANCIAL PLANNING and CONSULTING

Del-Sette charges either an hourly fee or fixed fee for financial planning. Prior to the planning process the client will be provided an estimated plan fee. The services include, but are not limited to, a thorough review of all applicable topics including Wills, Estate Plan/Trusts, Investments, Taxes, and Insurance. Client will pay Del-Sette directly half of the estimated fee at the signing of the agreement with the balance due upon delivery of the completed plan. Del-Sette reserves the right to waive a portion of the fee if the client chooses to execute the financial plan with the firm. Services are completed and delivered inside of sixty (60) days.

Client may cancel within five (5) days of signing Agreement for a full refund. If the client cancels after five (5) days, any unearned fees will be refunded to the client, or any unpaid earned fees will be due to Del-Sette.

- **HOURLY FEES**

Financial Planning Services are offered based on an hourly fee of \$200 per hour.

- **FIXED FEES**

Financial Planning Services are offered based on a flat fee between \$500 and \$5,000.

Client Payment of Fees

Investment management fees are billed quarterly in advance, meaning we bill you before the three-month period has started. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance with the balance due upon plan delivery.

Additional Client Fees Charged

Custodians may charge brokerage fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These brokerage transaction charges are usually small and incidental to the purchase or sale of a security. Del-Sette does not receive any portion of these fees. These fees are separate and in addition to any fee charged by Del-Sette. For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

Investment management fees are billed quarterly in advance.

Financial planning fees will be billed half of the estimated fee at the signing of the agreement with the balance due upon delivery of the completed plan.

If the client cancels after five (5) days, any unearned fees will be refunded to the client, or any unpaid earned fees will be due to Del-Sette.

External Compensation for the Sale of Securities to Clients

Del-Sette does not receive any external compensation for the sale of securities to clients.

Item 6: Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Del-Sette does not use a performance-based fee structure because of the potential conflict of interest. Performance based compensation may create an incentive for the

adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Description

Del-Sette generally provides investment advice to individuals, high net worth individuals, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

Del-Sette, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Comment [LJN2]: What about the pension and profit sharing plans?

Account Minimums

Del-Sette does not require a minimum account balance.

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

Methods of Analysis and Investment Strategies

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. ~~Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.~~

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profit margins to determine underlying value and potential growth. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk.

~~Technical analysis involves evaluating securities based on past prices and volume. Technical analysis involves evaluating securities based on past prices and volume. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk~~

~~Cyclical analysis involves analyzing the cycles of the market. Cyclical analysis involves analyzing the movement of a security against the cycles of the market. Cyclical analysis involves inflation risk, market risk, and currency risk.~~

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Investment Strategy and Method of Analysis of Material Risks

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Tactical decisions in the client's portfolio are made utilizing the research and evaluation techniques of Dorsey, Wright & Associates who has extensive experience in a technique known as Point & Figure charting. This type of analysis attempts to evaluate the supply and demand forces of particular asset classes and ranks the asset classes from strongest to weakest based upon relative strength. Asset classes are compared to one another to determine which asset classes are the strongest or weakest compared to one another. Then, the two asset classes that rank highest are weighted more heavily in client portfolios.

For accounts valued at \$10,000 or greater, Del-Sette may use specific stocks, mutual funds, exchange traded funds, or fund models recommended by Dorsey, Wright and Associates. These funds typically carry a transaction fee.

For accounts valued at less than \$10,000, Del-Sette recognizes that it may not be suitable for these smaller accounts to absorb transaction fees. Therefore, Del-Sette may use transaction charge free exchange traded funds available through TD Ameritrade in place of funds that carry a transaction fee. Research through Dorsey Wright and Associates is still utilized to determine what assets classes to emphasize in portfolios, but securities utilized may differ from those used in larger accounts.

Del-Sette recognizes that it may be difficult for smaller accounts to absorb transaction fees. Therefore, for accounts valued at less than \$50,000, Del-Sette may use transaction charge free exchange traded funds available through TD Ameritrade in place of funds used in larger accounts. Research through Dorsey Wright and Associates is still utilized to determine what assets classes to emphasize in portfolios, but securities utilized may differ from those used in larger accounts.

~~Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk.~~

~~Technical analysis involves evaluating securities based on past prices and volume. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk.~~

~~Cyclical analysis involves analyzing the movement of a security against the cycles of the market. Cyclical analysis involves inflation risk, market risk, and currency risk.~~

~~Other strategies may include long term purchases, short term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).~~

~~Making short term purchases and trading options have additional risks beyond the risks described below. Short term trading may create additional short term capital gains and therefore tax burdens as well as amplified losses if margin is utilized. Options trading may create a catastrophic loss including loss of the entire investment or more.~~

Comment [LJN3]: If you don't really use options in your investment strategy I would remove this.

Comment [LJN4]: I also would add some disclosure language of your commonly held investments and strategies, e.g. ETFs, mutual funds, etc.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Del-Sette:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of unprofitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither Del-Sette nor any of its affiliated persons are a broker-dealer or a registered representative of a broker-dealer.

Futures or Commodity Registration

Neither Del-Sette nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Managing member Hermes William Del-Sette III is a licensed insurance agent and tax preparer. Approximately 10% of Mr. Del-Sette's time is spent in this practice. From time to time, he will offer clients products and/or services from these activities.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission and/or fee amount received. This conflict is mitigated by the fact that Mr. Del-Sette has a fiduciary responsibility to place the interest of the client first and the clients are not required to purchase any products or services from him. Clients have the option to purchase these products or services at a higher or lesser cost through another insurance agent or tax preparer of their choosing.

As previously disclosed in Item 4 above, Del-Sette is affiliated with Aspire Financial Services, a provider of investment services and products to 403(b) plan sponsors. For 403(b) accounts. ~~to offer discretionary direct asset management services for clients' 403(b) accounts.~~ Del-Sette's affiliation with Aspire allows the Firm to offer direct asset management services for clients' 403(b) accounts where Aspire is an approved provider of services to the plan.-

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Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

Del-Sette does not utilize the services of ~~T~~hird ~~p~~arty ~~m~~oney ~~M~~anagers to manage client accounts.

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

Code of Ethics Description

The employees of Del-Sette have committed to a Code of Ethics. The purpose of our Code of Ethics is to ensure that when employees buy or sell securities for their personal account, they do not create actual or potential conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Del-Sette's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Del-Sette may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Del-Sette's Code of Ethics is based on the guiding principle that the interests of the client are our top priority. Del-Sette's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code of Ethics applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

Del-Sette and its employees do not recommend to clients securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Del-Sette and its employees may buy or sell securities that are also held by clients. In order to mitigate potential conflicts of interest such as front running, employees are

required to disclose all reportable securities transactions as well as provide Del-Sette with copies of their brokerage statements.

The Chief Compliance Officer of Del-Sette is Hermes William Del-Sette III. He reviews all employee trades ~~monthly~~. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are in products such as mutual funds, government securities, bonds or are small in size, they do not impact the securities markets.

Comment [LJN5]: I took out monthly because it seemed burdensome. But, make sure you are doing this if you say you are.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Del-Sette does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Del-Sette may recommend the use of a particular broker-dealer such as TD AMERITRADE Institutional, a Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA. A conflict exists because Del-Sette receives a benefit in that it does not have to pay for the research, services, or product (See Item 14 for more details) and it may have any incentive to recommend a broker-dealer based on its interest rather than the clients. This conflict is mitigated by the fact that Mr. Del-Sette has a fiduciary responsibility to place the best interest of the client first and clients are not required to purchase any products or services through Del-Sette. Del-Sette will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Del-Sette relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Del-Sette.

Del-Sette participates in the TD Ameritrade Institutional program. TD Ameritrade, Inc. ("TD Ameritrade") is an independent SEC-registered broker-dealer and is not affiliated with Del-Sette. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14) As disclosed under Item 12, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and

confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

- *Directed Brokerage*
Del-Sette does not allow a client to direct brokerage accounts.
- *Best Execution*
Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.
- *Soft Dollar Arrangements*
Del-Sette utilizes the services of custodial broker dealers. Economic benefits are received by Del-Sette which would not be received if Del-Sette did not give investment advice to clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to Del-Sette's accounts, ability to conduct "block" client trades, electronic download of

trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from client accounts.

A conflict of interest exists when the firm receives soft dollars. This conflict is mitigated by the fact that the Investment Advisor Representatives have a fiduciary responsibility to act in the best interest of his clients and the services received are beneficial to all clients.

Aggregating Securities Transactions for Client Accounts

Del-Sette is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Del-Sette. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed regularly by Bill Del-Sette. Account statements are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Content of Client Provided Reports and Frequency

~~For managed accounts, c~~lients receive account statements no less than quarterly ~~for managed accounts. Account reports are issued by from the Advisor's account's~~ custodian. Clients receive confirmations of each transaction in an account from the ~~c~~ustodian ~~and an additional statement~~ during any month in which a transaction occurs.

Item 14: Client Referrals and Other Compensation

Economic benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Del-Sette has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Del-Sette may receive inquiries and referrals from their association with Aspire but no compensation is paid on the basis of these referrals.

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~~Advisory Firm Payments for Client Referrals~~

~~Del-Sette does not compensate for client referrals.~~

Item 15: Custody

Account Statements

The client approves the custodian to be used and the commission rates paid to the custodian. Del-Sette is deemed to have custody under the Advisers Act solely based on the authority to deduct clients' advisory fees from client accounts. Because this is the only form of custody the Firm has and all client funds and securities are held at a qualified custodian, the Firm is not subject to the additional requirements for advisers having custody over client funds and securities.

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~~All assets are held at qualified custodians, which means t~~The custodian~~s~~ provides account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodian~~s~~ to the performance report statements prepared by Del-Sette.

Item 16: Investment Discretion

Discretionary Authority for Trading

Del-Sette accepts discretionary authority to manage ~~securities~~ accounts on behalf of clients. Del-Sette has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

~~The client approves the custodian to be used and the commission rates paid to the custodian. Del-Sette does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.~~

Item 17: Voting Client Securities

Proxy Votes

Del-Sette does not vote proxies on securities or offer advice or recommendations on voting a particular solicitation. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because Del-Sette does not serve as a custodian for client funds or securities and Del-Sette does not require prepayment of fees of more than \$500 per client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

Del-Sette has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither Del-Sette nor its management has had any bankruptcy petitions in the last ten years.

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