

## **Form ADV Part 2A: Disclosure Brochure**

**Date:** February 13, 2014

### **Harvest Investment Services, LLC**

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This brochure provides information about the qualifications and business practices of Harvest Investment Services, LLC. If you have any questions about the contents of this brochure, please contact us at (630) 613-9230. 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 Harvest Investment Services, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Harvest Investment Services, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Our firm uses the following business names for each specified jurisdiction below:

California: Harrison Financial Group, Inc.; Harvest Investment Services, Inc.  
Texas: Copelin Financial Advisors

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last filing date March 22, 2013 there have been no material changes to report.

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## Item 4 Advisory Business

### Description of Services and Fees

Harvest Investment Services, LLC is a registered investment adviser established in 2011. We are organized as a limited liability company under the laws of the State of Illinois. Harvest Financial Planning, LLC is our principal owner. Tim J. Newell is the majority owner of Harvest Financial Planning, LLC. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Financial Planning Services
- Financial Advisory Services
- Selection of Other Advisers
- Pension Consulting Services
- Wrap Fee Program

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Harvest Investment Services, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk profile and investing objectives. We also may invest your assets according to one or more model portfolios developed by our firm. We will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

### Financial Planning Services

We offer a broad range of financial planning and consulting services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or

collecting additional financial data. Once such information has been reviewed and analyzed, a written financial plan designed to achieve your stated financial goals and objectives may be produced and presented to you in either a written or electronic format.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **Financial Advisory Services**

We offer financial advisory services to clients, which may include, but are not limited to, a review of your current asset allocation and/or a review of your accounts not currently held with our firm or ProEquities, Inc. Refer to Item 5 below for additional disclosures on our relationship with ProEquities. Our Financial Advisory Services may include advice on particular securities, selection of other advisors, and the securities markets in general. On occasion, we may provide services that utilize charts, graphs, formulas or other devices to assist clients in evaluating securities in order to make more informed investment decisions. We may also provide preliminary advice as to the need for estate planning and other planning strategies that may call for legal, accounting, or other expert advice. In these cases, we may recommend an appropriate professional to you.

You may enter into arrangements with our firm that are separate from the financial advisory agreement in order to implement advice provided, which may be subject to additional compensation. A client may terminate a financial advisory agreement, without penalty, by written notice within 5 business days of the client's execution of the agreement. Any fees paid in advance but not earned will be refunded within 10 business days of our receipt of the termination notice. Once financial advice has been rendered, any refunds will be prorated, commensurate with the amount of work performed in providing the advice. In addition, we may provide certain administrative services; such as, re-title of assets, cost basis analysis, or providing the use of certain financial planning or investment related software.

### **Selection of Other Advisers**

As part of our investment advisory services, we may recommend that you use the services of a third party money manager ("MM") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the MM's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The MM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s) where we deem such action appropriate.

### **Pension Consulting Services**

We offer various levels of advisory and consulting services to employee benefit plans and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors ("Plan Sponsors") in meeting their management and fiduciary obligations to the Participants under the Employee Retirement Income Securities Act ("ERISA"). In all cases, Plan Sponsors must make the

ultimate decision to retain our firm for pension consulting and other advisory services. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

*Investment Management Services* - We shall have discretionary investment authority to direct the core investments to be offered to plan participants in a manner that is consistent with the criteria set forth in the Plan's investment policy statement ("IPS") that has been approved by the Plan Sponsor, or other plan fiduciary. Such authority will include that necessary to select, monitor, remove and replace all investment alternatives that constitute the core investment menu. In cases where we provide instructions directly to the plan's record keeper or third-party administrator with regard to the removal, or replacement of investments, we will provide the Plan Sponsor with a report containing the basis for those decisions.

In rendering Investment Management Services or any other ERISA Discretionary Fiduciary Service, we will act as an ERISA fiduciary and will serve as an investment manager as defined in Section 3(38) of ERISA, and as a fiduciary under the Investment Advisers Act. We shall retain final decision-making authority with regard to all ERISA Discretionary Fiduciary Services, and the Plan fiduciaries remain responsible for demonstrating that our firm was prudently selected and monitored.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the Plan Sponsor or named fiduciary on a case-by-case basis.

*General Information about Plan and Participant Services*- Fees for these services shall be: 1) on a flat fee basis; 2) on a percentage of a plan's assets; or 3) on a combination of these methods, as agreed to between Harvest Investment Services and the Plan Sponsor. Neither our firm nor any of our investment adviser representatives receive additional compensation beyond these fees. If investment adviser representatives, in their separate capacity as registered representatives of ProEquities, are compensated in the form of commissions or 12b-1 fees from the sale of investments to the Plan, Harvest Investment Services shall offset the advisory fee to reflect the additional compensation earned, to the extent permitted by law.

### **Wrap Fee Program(s)**

We provide discretionary investment management services on a wrap fee basis in accordance with our investment management wrap fee program (the "Program"). The services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in the Program brochure (the "Brochure"). Under the Program, we offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The terms and conditions for your participation in the Program are set forth in detail in the Brochure, which is presented to all prospective Program participants in accordance with the disclosure requirements of Appendix 1 to Form ADV Part 2A. The Brochure is incorporated into this Form ADV Part 2A disclosure brochure by reference. All prospective Program participants should read this disclosure statement and the Brochure, and ask any corresponding questions that they may have prior to participation in the Program.

As indicated in the Brochure, the overall cost of participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Brochure, the Program fee we charge for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs. We receive a portion of the wrap fee for services provided to your account.

### **Types of Investments**

We primarily offer advice on equity securities and exchange traded funds (ETFs). Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of January 15, 2014, we manage approximately \$99,553,851 in client assets on a discretionary basis, and approximately \$2,716,863 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Fee Arrangement**

Our fee for portfolio management services is based on a percentage of your assets we manage. The fee arrangement is set forth in the following fee schedule:

<b>Assets Under Management</b>	<b><u>Maximum Annual Fee as % of Portfolio</u></b>
\$0 - \$49,999.99	2.80%
\$50,000.00 - \$99,999.99	2.75%
\$100,000.00 - \$249,999.99	2.50%
\$250,000.00 - \$499,999.99	2.25%
\$500,000.00 - \$749,999.99	2.00%
\$750,000.00 - \$999,999.99	1.75%
\$1,000,000.00 - \$1,499,999.99	1.50%
\$1,500,000.00 - \$1,999,999.99	1.25%
\$2,000,000.00 and over	negotiable

\*Accounts with holdings under \$50,000 will be assessed a \$25.00 quarterly Reporting Fee in addition to the percentage based Advisory Fee indicated above.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. Generally, we will receive a duplicate copy of your account statements.

You may terminate the portfolio management agreement upon 7-days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

If we send you a billing statement, we encourage you to reconcile the statement we provide with the statement(s) you receive from the qualified custodian. If you find any inconsistent information, please call our main office number located on the cover page of this brochure.

### **Financial Planning Fee Arrangement**

Fees for financial planning services are negotiated with your investment adviser representative and are generated from either: (1) a negotiated flat dollar amount, which is typically set at the time you sign a financial planning agreement; or (2) an hourly rate, which will be negotiated based on the expected number of hours spent in consultation with you and preparing the plan.

In accordance with our established fee schedule, base level financial planning fees will generally not exceed \$2,000 for flat-fee arrangements; or we may alternatively charge an hourly fee which would generally range from \$100 to \$500 per hour. An estimate of the total time/cost will be determined at the start of the advisory relationship. The minimum fee for a financial plan is \$100.

More complex financial and estate planning involving one or more business entities may result in a higher flat-fee arrangement, which typically will not exceed \$10,000.

At our sole discretion and in some circumstances, we may require that you pay 50% of the fee in advance and the remaining portion upon the completion of the contracted services. Otherwise, fees are payable as invoiced. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

You may terminate the financial planning agreement by providing 7-days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Financial Advisory Services Fee Arrangements**

Fees for our Financial Advisory Services can vary depending on the scope and complexity of the services. We charge an hourly fee on such modular needs, such as, college planning, distribution planning, and 401k analysis ranging from \$200 to \$400 an hour. Fees to retitle assets into a trust may be billed at range of \$100 to \$150 an hour. Our fee for access and the use of financial software may be billed at an annual rate of \$100 to \$500 per year.

### **Selection of Other Advisers**

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the MM. The advisory fee you pay to the MM is established and payable in accordance with the brochure provided by each MM to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each MM. As such, a conflict of interest may arise where our firm or persons associated with our firm may have an incentive to recommend one MM over another MM with whom we have more favorable compensation arrangements or other advisory programs offered by a MM with whom we have less or no compensation arrangements.



You will be required to sign an agreement directly with the recommended MM(s). Brokerage and custodial services used by a recommended MM may vary. You may terminate your advisory relationship with the MM according to the terms of your agreement with the MM. You should review each MM's brochure for specific information on how you may terminate your advisory relationship with the MM and how you may receive a refund, if applicable. You should contact the MM directly for questions regarding your advisory agreement with that firm.

### **Pension Consulting Services to Retirement Plans and Plan Participants**

Our Pension Consulting fee is based on our portfolio management fee schedule noted above and in the agreement that you sign with our firm.

Either party to the pension consulting agreement may terminate the agreement upon 7-days written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in equity securities, ETFs, or mutual funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses involving the trading of securities. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

We may trade client accounts on margin. Each client must sign a separate margin agreement *before* margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### **Compensation for the Sale of Securities or Other Investment Products**

Some Associated Persons providing investment advice on behalf of our firm are registered representatives and investment adviser representatives with ProEquities, Inc. ("ProEquities"), a securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation and a registered investment adviser.

Associated persons may earn investment advisory fees in their capacity as investment adviser representatives of ProEquities. Such fees are separate and apart from the advisory fees charged by our firm. In their capacity as registered representatives, these persons may also receive commission-based compensation in connection with the purchase and sale of securities (such as Mutual Funds, ETF's, UIT's, stocks, bonds, variable annuities, Variable Life, Direct Investments, limited partnerships and Private Placements), including 12b-1 fees for the sale of investment company products ("mutual funds"). When available, we generally recommend no-load mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm, who are registered representatives, have an incentive to effect securities

transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to buy or sell securities products through any person affiliated with our firm.

### **Insurance**

In addition, some investment adviser representatives of our firm are also licensed as insurance agents and may sell insurance products through an affiliated company, Harvest Financial Planning, LLC, or through separate insurance agencies of which the investment adviser representative may or may not be affiliated. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

*Lower fees for comparable services may be available from other services.*

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Generally, we require a minimum account size of \$25,000 to open and maintain an advisory account with our firm. We may waive or lower this minimum requirement in our sole discretion. We may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Our Actively Managed Tactical Strategy uses a unique blend of global capital appreciation strategies coupled with risk control techniques. We employ disciplined buy and sell strategies to manage each position in your accounts.

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Technical Analysis - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are

many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Short Sales** - securities transaction in which an investor sells securities that were borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future.

Risk: A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.

**Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

**Option Writing** - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Risk: Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account

custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this brochure, we primarily recommend equity securities and ETFs. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

ETFs generally provide diversification, risks can be significantly increased if the ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the ETF with different types of securities. Exchange traded funds can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on ETFs can be reduced by the costs to manage the funds.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

### **Registrations with Broker-Dealer and Other Investment Adviser**

Associated Persons providing investment advice on behalf of our firm may be registered representatives and/or investment adviser representatives with ProEquities, Inc. ("ProEquities"), a securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation and a registered investment adviser. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

### **Insurance Licenses**

Persons providing investment advice on behalf of our firm are also licensed as independent insurance agents. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

#### **Affiliated Insurance Agency**

We are under common control and ownership with Harvest Financial Planning, LLC, an insurance agency licensed with the State of Illinois. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

#### **Accountant**

Mr. Woodhull, an Investment Adviser Representative of our firm, is also a Certified Public Account and Partner of Carr Woodhull & Brooks, an accounting firm. If you require accounting services, we may recommend that you use Mr. Woodhull for accounting services. Our advisory services are separate and distinct from the compensation paid to Mr. Woodhull in his separate capacity as a Certified Public Accountant for his accounting services.

#### **Recommendation of Other Advisers**

We may recommend that you use a third party money manager ("MM") based on your needs and suitability. We may receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the MM. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

We will only refer you to MMs or other advisers that are registered or notice filed in the appropriate jurisdiction(s).

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

#### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Code of Ethics also requires that certain persons associated with our firm submit reports of their personal reportable securities account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.



## **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Pershing, LLC and ProEquities, Inc. (member FINRA/SIPC) and the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

Clients may also use the brokerage/custodial services of Schwab, Matrix, or Fidelity, among others. This generally occurs where the client has a preexisting relationship with one or more custodians and it is not in the client's best interest to transfer the account to TD Ameritrade or ProEquities/Pershing.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to you, although we receive economic benefits through our participation in the program that is 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 your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that our receipt of economic benefits in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including, but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Other Custodians/Broker/Dealers**

As part of the investment advisory services we provide, if we recommend the use of a third party money manager, that firm may use brokerage and custodial services separate and apart from TD Ameritrade and ProEquities, Inc. You should review the disclosure brochure of the recommended third party money manager for additional disclosures on this topic.

### **Directed Brokerage**

We generally require that you direct our firm to execute transactions through ProEquities or TD Ameritrade. Persons providing investment advice on behalf of our firm who are registered representatives and/or investment adviser representatives of ProEquities are subject to applicable rules that restrict them from conducting securities transactions away from ProEquities unless ProEquities provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through ProEquities or other approved custodians. It may be the case that ProEquities charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through ProEquities, these individuals (in their separate capacities as registered representatives of ProEquities) may earn commission-based compensation as result of placing the recommended securities transactions through ProEquities. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Please see the *Fees and Compensation* section above for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Block Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.



## Item 13 Review of Accounts

We monitor client portfolios as part of an ongoing process while account reviews are conducted at least annually. The reviews are designed to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

The Investment Adviser Representative assigned to your account and/or one of the following individuals will review your account: Tim J. Newell, President and CEO; John Aloy, CIO; or, Fred Newell, CCO. The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Financial planning reviews may be conducted based on your specific request and may be subject to our hourly rate discussed above in the advisory business section.

## Item 14 Client Referrals and Other Compensation

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with ProEquities and/or TD Ameritrade.

As disclosed under the *Fees and Compensation* section in this brochure, some persons providing investment advice on behalf of our firm are licensed insurance agents. In addition, some persons are registered representatives and investment adviser representatives with ProEquities, Inc. ("ProEquities"), a securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation and a registered investment adviser. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section above.

### Non-employee Solicitor

We may directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. Alternatively, the Solicitor may receive a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If required by your home state, we will also provide statements to you, reflecting the amount of the advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may limit the types of securities that can be purchased for your account by providing our firm with your restrictions and guidelines in writing. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required to provide a balance sheet or other financial information to our clients, because we do not require the prepayment of fees in excess of \$500 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

## Item 19 Requirements for State-Registered Advisers

Our firm is registered with the SEC; therefore, no response is required for this item.

## Item 20 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, insurance agencies and insurance companies, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.

## **Form ADV Part 2A Appendix 1: Wrap Fee Program Brochure**

### **Alpha Solutions**

**Date:** February 13, 2014

### **Harvest Investment Services, LLC**

**1 Trans AM Plaza Drive, Suite 230  
Oakbrook Terrace, IL 60181**

**Phone:** (630) 613-9230

**Facsimile:** (630) 613-9126

**Website:** [www.harvestinvestmentservices.com](http://www.harvestinvestmentservices.com)

This brochure provides information about the qualifications and business practices of Harvest Investment Services, LLC. If you have any questions about the contents of this brochure, please contact us at (630) 613-9230. 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 Harvest Investment Services, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Harvest Investment Services, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Our firm uses the following business names for each specified jurisdiction below:

California: Harrison Financial Group, Inc.; Harvest Investment Services, Inc.

Texas: Copelin Financial Advisors

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## Item 4 Services, Fees, and Compensation

Harvest Investment Services, LLC is a registered investment adviser established in 2011. We are organized as a limited liability company under the laws of the State of Illinois. Harvest Financial Planning, LLC is our principal owner. Tim J. Newell is the majority owner of Harvest Financial Planning, LLC.

As used in this brochure, the words "we", "our" and "us" refer to Harvest Investment Services, LLC and the words "you", "your" and "client" refer to you as a client or prospective client of our firm. Also, you may see the term Associated Person in throughout this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer portfolio management services through a wrap-fee program ("Program") as described in this wrap fee program brochure to prospective and existing clients. We are the sponsor and investment adviser for the Program. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### Client Investment Process

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Assets for program accounts are held at TD Ameritrade, Inc. ("TD Ameritrade") as custodian. TD Ameritrade also acts as executing broker/dealer for transactions placed in Program accounts, and provides other administrative services as described throughout this Brochure. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by TD Ameritrade and the advisory fees charged by investment advisers.

## Changes in Your Financial Circumstances

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

## The Program Fee

We typically charge an annual "wrap-fee" for participation in the Program depending upon the market value of your assets under our management. You are not charged separate fees for the different components of the services provided by the Program. Our firm pays all trade expenses of trades placed on your behalf. Our Program fee includes the fee we pay to any portfolio manager for their management of your account and TD Ameritrade's transaction or execution costs. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. In special circumstances, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, etc.).

We may charge a \$25 quarterly fee in lieu of a fee based on the market account value where we manage cash positions, manage transitioning existing investments or provide similar services.

We also offer *Flex* accounts. These accounts enable us to work closely with you to provide management strategies that deviate from our standard portfolio strategies resulting in a more customized portfolio strategy. Under the Flex account option, we also have the ability to charge lower fees where your account might not require active management, such as cash managed accounts and transition accounts.

On an annualized basis, our Program fees are as follows:

### Assets Under Management    Maximum Annual Fee as % of Portfolio

\$0 - \$49,999.99	2.80%
\$50,000.00 - \$99,999.99	2.75%
\$100,000.00 - \$249,999.99	2.50%
\$250,000.00 - \$499,999.99	2.25%
\$500,000.00 - \$749,999.99	2.00%
\$750,000.00 - \$999,999.99	1.75%
\$1,000,000.00 - \$1,499,999.99	1.50%
\$1,500,000.00 - \$1,999,999.99	1.25%
\$2,000,000.00 and over	negotiable

\*Accounts with holdings under \$50,000 will be assessed a \$25.00 quarterly Reporting Fee in addition to the percentage based Advisory Fee indicated above.

As a client, you should be aware that the wrap fee charged by our firm may be higher (or lower) than those charged by others in the industry, and that it may be possible to obtain the same or similar services from other firms at lower (or higher) rates. A client may be able to obtain some or all of the types of services available through our firm's wrap fee program on an individual basis through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower or higher than the annual fees shown above.

Our portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. For the initial quarter of portfolio management services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. Generally, we will receive a duplicate copy of your account statements.

If you receive an invoice and/or billing statement from our firm, we encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information, please call our main office number located on the cover page of this brochure.

### **Termination of Advisory Relationship**

You may terminate the wrap fee program agreement upon 7-days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at TD Ameritrade, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

### **Wrap Fee Program Disclosures**

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.



- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

### **Additional Fees And Expenses**

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (or a broker-dealer designated by the Qualified Custodian), and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the Qualified Custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

We may trade client accounts on margin. Each client must sign a separate margin agreement *before* margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### **Brokerage Practices**

If you participate in the Program, you will be required to establish an account with TD Ameritrade, Inc., member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer. If you do not direct our firm to execute transactions through TD Ameritrade, we reserve the right to not accept your account. Not all advisers require their clients to direct brokerage. Since you are required to use TD Ameritrade, we may be unable to achieve the most favorable execution of your transactions. We believe that TD Ameritrade provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. TD Ameritrade offers independent investment advisers services, which include custody of securities, trade execution, clearance, and settlement of transactions. Our firm receives research and benefits from TD Ameritrade through our participation in the program.

### **Research and Other Benefits**

As disclosed above, our firm participates in TD Ameritrade's institutional customer program and we may require clients to maintain accounts with TD Ameritrade. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our 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 our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client accounts); the ability to have our advisory fees deducted directly from our clients' 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 our firm by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by our firm's related persons and may also pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses) for our firm's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's adviser custody and brokerage services generally. Some of the products and services made available by TD Ameritrade through the program may benefit our firm, but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, our firm endeavors at all times to put the interests of our clients first. You should be aware, however, that our firm's receipt of economic benefits in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Assets Under Management**

As of January 15, 2014, we manage approximately \$99,553,851 in client assets on a discretionary basis, and approximately \$2,716,863 in client assets on a non-discretionary basis.

### **Item 5 Account Requirements and Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Generally, we require a minimum account size of \$25,000 to open and maintain an advisory account with our firm. We may waive or lower this minimum requirement in our sole discretion. We may combine the account values of family members living in the same household to determine the applicable advisory fee.

### **Item 6 Portfolio Manager Selection and Evaluation**

We are the sponsor and in most cases the sole portfolio manager for the Program. Should we choose to utilize one or more Portfolio Managers through the course of serving you, the evaluation of each such portfolio manager will be based on data and information from several sources, including the manager, and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. We will also review the manager's Form ADV Part 2 in our evaluation process.

## **Description of Non-Wrap Advisory Services and Fees**

Harvest Investment Services, LLC is a registered investment adviser established in 2011. We are organized as a limited liability company under the laws of the State of Illinois. Harvest Financial Planning, LLC is our principal owner. Tim J. Newell is the majority owner of Harvest Financial Planning, LLC. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Financial Planning Services
- Financial Advisory Services
- Selection of Other Advisers
- Pension Consulting Services
- Wrap Fee Program

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Harvest Investment Services, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### *Portfolio Management Services*

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk profile and investing objectives. We also may invest your assets according to one or more model portfolios developed by our firm. We will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

### *Financial Planning Services*

We offer a broad range of financial planning and consulting services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. Once such information has been reviewed and analyzed, a written financial plan designed to achieve your stated financial goals and objectives may be produced and presented to you in either a written or electronic format.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

#### Financial Advisory Services

We offer financial advisory services to clients, which may include, but are not limited to, a review of your current asset allocation and/or a review of your accounts not currently held with our firm or ProEquities, Inc. Refer to Item 5 below for additional disclosures on our relationship with ProEquities. Our Financial Advisory Services may include advice on particular securities, selection of other advisors, and the securities markets in general. On occasion, we may provide services that utilize charts, graphs, formulas or other devices to assist clients in evaluating securities in order to make more informed investment decisions. We may also provide preliminary advice as to the need for estate planning and other planning strategies that may call for legal, accounting, or other expert advice. In these cases, we may recommend an appropriate professional to you.

You may enter into arrangements with our firm that are separate from the financial advisory agreement in order to implement advice provided, which may be subject to additional compensation. A client may terminate a financial advisory agreement, without penalty, by written notice within 5 business days of the client's execution of the agreement. Any fees paid in advance but not earned will be refunded within 10 business days of our receipt of the termination notice. Once financial advice has been rendered, any refunds will be prorated, commensurate with the amount of work performed in providing the advice. In addition, we may provide certain administrative services; such as, re-title of assets, cost basis analysis, or providing the use of certain financial planning or investment related software.

#### Selection of Other Advisers

As part of our investment advisory services, we may recommend that you use the services of a third party money manager ("MM") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the MM's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The MM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s) where we deem such action appropriate.

#### Pension Consulting Services

We offer various levels of advisory and consulting services to employee benefit plans and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors ("Plan Sponsors") in meeting their management and fiduciary obligations to the Participants under the Employee Retirement Income Securities Act ("ERISA"). In all cases, Plan Sponsors must make the ultimate decision to retain our firm for pension consulting and other advisory services. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

*Investment Management Services* - We shall have discretionary investment authority to direct the core investments to be offered to plan participants in a manner that is consistent with the criteria set forth in the Plan's investment policy statement ("IPS") that has been approved by the Plan Sponsor, or other plan fiduciary. Such authority will include that necessary to select, monitor, remove and replace all investment alternatives that constitute the core investment menu. In cases where we provide instructions directly to the plan's record keeper or third-party administrator with regard to the removal, or replacement of investments, we will provide the Plan Sponsor with a report containing the basis for those decisions.

In rendering Investment Management Services or any other ERISA Discretionary Fiduciary Service, we will act as an ERISA fiduciary and will serve as an investment manager as defined in Section 3(38) of ERISA, and as a fiduciary under the Investment Advisers Act. We shall retain final decision-making authority with regard to all ERISA Discretionary Fiduciary Services, and the Plan fiduciaries remain responsible for demonstrating that our firm was prudently selected and monitored.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the Plan Sponsor or named fiduciary on a case-by-case basis.

*General Information about Plan and Participant Services*- Fees for these services shall be: 1) on a flat fee basis; 2) on a percentage of a plan's assets; or 3) on a combination of these methods, as agreed to between Harvest Investment Services and the Plan Sponsor. Neither our firm nor any of our investment adviser representatives receive additional compensation beyond these fees. If investment adviser representatives, in their separate capacity as registered representatives of ProEquities, are compensated in the form of commissions or 12b-1 fees from the sale of investments to the Plan, Harvest Investment Services shall offset the advisory fee to reflect the additional compensation earned, to the extent permitted by law.

#### *Types of Investments*

We primarily offer advice on equity securities and exchange traded funds (ETFs). Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

#### **Wrap Fee Program**

We are a sponsor of a wrap fee program, which is a type of investment program that provides clients with access to asset management services for a single fee that includes management fees and securities transaction costs. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees and certain transaction costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.



To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by the broker-dealer/custodian through which securities transactions are executed, and the advisory fees charged by investment advisers. For more information concerning the Wrap Fee Program, please review this *Appendix 1 Brochure*.

### **Performance-Based Fees and Side-by-Side Management**

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

Our Actively Managed Tactical Strategy uses a unique blend of global capital appreciation strategies coupled with risk control techniques. We employ disciplined buy and sell strategies to manage each position in your accounts.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Short Sales** - securities transaction in which an investor sells securities that were borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future.

**Risk:** A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.

**Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

**Risk:** If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

**Option Writing** - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

**Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 7 Client Information Provided to Portfolio Managers**

As required, in order to provide the Program services, we will provide your private information to your account custodian, TD Ameritrade. We may also provide your private information to mutual fund companies and/or private managers. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.



## **Privacy Policy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, insurance agencies and insurance companies, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

## **Item 8 Client Contact with Portfolio Managers**

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account.

## **Item 9 Additional Information**

### **Registrations with Broker-Dealer and Other Investment Adviser**

Currently, a number of our employees are registered representatives and/or investment adviser representatives with ProEquities, Inc. ("ProEquities"), a securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation and a registered investment adviser. These individuals may earn investment advisory fees in their capacity as investment adviser representatives of ProEquities. Such fees are separate and apart from the advisory fees charged by our firm. In their capacity as registered representatives, these persons may also receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products ("mutual funds"). When available, we generally recommend no-load mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm, who are registered representatives, have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to buy or sell securities products through any person affiliated with our firm.

### **Insurance Licenses**

Persons providing investment advice on behalf of our firm are also licensed as independent insurance agents. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

**Affiliated Insurance Agency**

We are under common control and ownership with Harvest Financial Planning, LLC, an insurance agency licensed with the State of Illinois. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

**Recommendation of Other Advisers**

We may recommend that you use a third party money manager ("MM") based on your needs and suitability. We may receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the MM. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

We will only refer you to MMs or other advisers that are registered or notice filed in the appropriate jurisdiction(s).

**Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

**Insurance Licenses**

Persons providing investment advice on behalf of our firm are also licensed as independent insurance agents and may sell insurance products through an affiliated company, Harvest Financial Planning, LLC, or through separate insurance agencies of which the investment adviser representative may or may not be affiliated. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

**Code of Ethics**

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Review of Accounts**

We monitor client portfolios as part of an ongoing process while account reviews are conducted at least annually. The reviews are designed to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

The Investment Adviser Representative assigned to your account and/or one of the following individuals will review your account: Tim J. Newell, President and CEO; John Aloy, CIO; or, Fred Newell, CCO. The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

You will receive trade confirmations and monthly or quarterly statements from your account custodian.

### **Client Referrals and Other Compensation**

Please refer to the *Brokerage Practices* section for disclosures on research and other benefits we may receive resulting from our relationship with TD Ameritrade.

As disclosed above, some persons providing investment advice on behalf of our firm are licensed insurance agents. In addition, a number of our employees are registered representatives and investment adviser representatives with ProEquities, Inc. ("ProEquities"), a securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation and a registered investment adviser.

### **Non-employee Solicitor**

We may directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. Alternatively, the Solicitor may receive a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

**Block Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

**Financial Information**

We are not required to provide a balance sheet or other financial information to our clients, because we do not require the prepayment of fees in excess of \$500 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.