

Form ADV Part 2A: Disclosure Brochure

Item 1 – Cover Page

Up Capital Management, Inc.
5905 Granite Lake Drive, Suite 150
Granite Bay, California 95746
(916) 520-6420
www.upcapitalmgmt.com

Date of Disclosure Brochure: March 2014

This disclosure brochure provides information about the qualifications and business practices of Up Capital Management, Inc. If you have any questions about the contents of this disclosure brochure, please contact Anton Bayer at (916) 520-6420 or anton@antonbayer.com. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Up Capital Management, Inc. is also available on the Internet at www.adviserinfo.sec.gov. You can view the firm's information on this website by searching for Up Capital Management, Inc. or the firm's CRD number: 164692.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

This item is used to describe material changes that are made to the disclosure brochure and provide readers with a summary of such changes. Since our March 2013 annual amendment was filed, the only material change made to the brochure is an increase in our firm's client assets under management. Our firm is reporting at Item 4 – Advisory Services, client assets under management of approximately \$116,600,000.

The increase in assets under management requires us to switch from state registration to federal registration. Therefore, we initiated the SEC registration process in February 2014.

You will receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the firm's fiscal year ends. The firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time the firm will also offer or provide a copy of the most current disclosure brochure. The firm may also provide other ongoing disclosure information about material changes as necessary.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	5
Introduction	5
General Description of Advisory Services	5
Limits Advice to Certain Types of Investments	5
Participation in Wrap Fee Programs	6
Tailor Advisory Services to Individual Needs of Clients	6
Client Assets Managed by Advisor	7
Item 5 – Fees and Compensation	7
Asset Management Services	7
Up Management Portfolios Program	7
Up Management Program	8
General Information on Management Services	10
Financial Planning & Consulting Services	10
Financial Plans	11
Consultations	11
Advisement Consultations	12
Commission and Fee Offset	13
Additional Information on Financial Planning and Consulting Fees	13
Newsletters	13
Retirement Plan Services	14
Item 6 – Performance-Based Fees and Side-By-Side Management	17
Item 7 – Types of Clients	17
Minimum Investment Amounts Required	17
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	18
Methods of Analysis	18
Investment Strategies	19
Risk of Loss	20
Item 9 – Disciplinary Information	21
Item 10 – Other Financial Industry Activities and Affiliations	21
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading	22
Code of Ethics Summary	22
Affiliate and Employee Personal Securities Transactions Disclosure	23
Item 12 – Brokerage Practices	23
Directed Brokerage	24
Handling Trade Errors	25
Block Trading Policy	25
Agency Cross Transactions	25
Item 13 – Review of Accounts	25
Account Reviews and Reviewers	25
Statements and Reports	26
Item 14 – Client Referrals and Other Compensation	26

Item 15 – Custody	26
Item 16 – Investment Discretion	27
Item 17 – Voting Client Securities	28
Proxy Voting	28
Class Action Lawsuits	28
Item 18 – Financial Information	28
Item 19 – Requirements for State-Registered Advisers	28
Executive Officer and Management Personnel	28
Customer Privacy Policy Notice	29
Business Continuity Plan	29

Item 4 – Advisory Business

Up Capital Management, Inc. (“Advisor” or “we”) is an investment adviser registered since September 2012. We are a California corporation and our sole owner is Anton J. Bayer, CFP®.

Introduction

Our investment advisory services are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative (“representative”).

General Description of Advisory Services

The following are brief descriptions of our primary advisory services. A detailed description is provided in **Item 5 – Fees and Compensation** so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

For all advisory services provided, you should be aware that a potential conflict of interest exists between our interests and your interests. You are under no obligation to act on our recommendations and, if you do, are under no obligation to effect any transaction through us.

Asset Management Services. Advisor offer asset management services, which involves providing you with continuous and ongoing supervision over your specified accounts.

Financial Planning & Consulting Services. We offer advisory services in the form of financial plans. These services do not involve actively managing your accounts. Instead, full planning services focus on your overall financial situation while modular planning services focus on specific areas of concern to you.

We also offer consultations on any topic of interest to you and these consultations can last for a single meeting or involve several meetings. The consultations can include advisement on retirement benefit plan portfolios.

Retirement Plan Services. We offer services to retirement plan sponsors and to individual participants in retirement plans. These services can be both fiduciary and non-fiduciary.

Limits Advice to Certain Types of Investments

Advisor provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Fixed Annuities
- Foreign Issues
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Non Traded REITs
- Unit Investment Trusts
- Variable Annuities
- Variable Life Insurance

- US Government Securities
- Options Contracts on Securities
- Options Contracts on Commodities
- Futures Contracts on Tangibles
- Futures Contracts on Intangibles
- Interests in Partnerships Investing in Real Estate
- Interests in Partnerships Investing in Oil and Gas Interests
- Securities Properly Exempted from Registration
- Hedge Funds

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

Please refer to **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

Participation in Wrap Fee Programs

Advisor offers services through wrap fee programs, which is defined as any advisory program under which advisory services and transaction services are provided for one fee. Both of the asset management programs (described in **Item 5 – Fees and Compensation**) are wrap fee programs. Whenever a fee is charged to a client for services described in this brochure (whether wrap fee or non wrap fee), we receive all or a portion of the fee charged.

Tailor Advisory Services to Individual Needs of Clients

Our advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you have the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

When managing client accounts through our firm's asset management services programs, we may manage an account in accordance with one or more investment models. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Client Assets Managed by Advisor

As of December 31, 2013, our assets under management were \$116,600,000. Of that amount, \$75,500,000 is managed on a discretionary basis and \$41,100,000 is managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provided in **Item 4 – Advisory Business**, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. Lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the client agreement between you and Advisor.

Asset Management Services

Up Management Portfolios Program

We are the sponsor of the Up Management Portfolios Program ("Up Management Program"), a program developed through an arrangement using LPL Financial Corporation's ("LPL") Strategic Wealth Management platform. The Up Management Program is a wrap fee account, meaning you do not pay transaction charges associated with trade execution.

Through the Up Management Program, we provide investment management services, including providing continuous investment advice to and making investments for you based on your individual needs. Through this service, we offer a customized and individualized investment program. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. The investment profile defines your risk tolerance and investment objective. Your information should be updated regularly, but at a minimum every 2 years.

Up Management Program accounts are custodied at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for you through the Up Management Program. LPL provides clearing, custody and other brokerage services for accounts established through the Up Management Program. Therefore, you are required to establish a brokerage account(s) through LPL's Strategic Wealth Management platform. Separate accounts are maintained for you, and you retain all rights of ownership of you accounts (e.g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Up Management Program accounts allow you to authorize us to purchase and sell, on a discretionary or non-discretionary basis, portfolios consisting of securities and investments. We may limit our discretion with respect to your account and the securities eligible to be purchased for your account. See, **Limits Advice to Certain Types of Investments** under **Item 4 - Advisory Business**, relative to possible securities and investments utilized. See **Item 16 - Investment Discretion**, for information concerning discretionary authority.

During any month that there is activity in the Up Management Program account, you receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs within the Up Management Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL.

The annual investment advisory fee charged generally varies between 0.50% - 2.5% of the assets held in the account and is negotiable depending on the market value of the account, composition of the account

assets, complexity of your situation, the representative providing the services and your relationship with us. The annual fee is divided and paid monthly or quarterly in advance through a direct debit to your account. LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to us. Fees are based on the account's asset value as of the last business day of the prior calendar month or quarter. Fees for accounts opened at any time other than the beginning of a month or quarter are prorated based on the number of days remaining in the initial billing period.

Prior to engaging us to provide investment management services, you are required to enter into a formal investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we manage your assets and a also separate custodial/clearing agreement with LPL.

The minimum account size to open any Up Management Program account is \$100,000, although exceptions may be granted upon request if additional deposits are anticipated to the new account, your relationship to our firm and if you were referred to us from an existing client. In addition, family members can "household" accounts to reach the minimum account level required.

You may incur certain charges imposed by third parties other than us in connection with investments made through the account including, but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. The management fees charged by us are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses is available in each investment company security's prospectus. Our representatives, in their separate capacity as registered representatives of LPL, may retain a portion of the commissions charged to you. These commissions may include 12b-1 fees, surrender charges and IRA and qualified retirement plan fees.

The Up Management Program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than an Up Management Program account.

Services continue until terminated. Either party may terminate the agreement for services at any time by providing written notice to the other party. If services are terminated within five business days of executing the client agreement, services are terminated without penalty. If services are terminated after the initial five day period, we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is actually provided during the final billing period. Termination is effective 14 days from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There is no penalty charge on termination.

This section is intended to be a summary of the Up Management Program. If you contract for Up Management Program services you are provided with a copy of the Up Program Form ADV Part 2A Appendix disclosure brochure.

Up Management Program

We have developed and sponsor the Up Management Program ("Up Program") through which we offer asset management services that include giving you continual investment advice and making investments based on your individual needs. Through this service, we offer a customized and individualized investment program with an asset allocation strategy and investment policy crafted to focus on your specific goals and objectives.

We require that your account be maintained at TD Ameritrade Institutional, a division of TD Ameritrade, Inc., which provides brokerage and clearing services. Both TD Ameritrade Institutional and TD Ameritrade, Inc. are members of FINRA, SIPC and NFA. TD Ameritrade Institutional acts as the qualified custodian of your account and maintains custody of your funds and securities. Advisor does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.

The minimum account size to open any Up Program account is \$100,000, although exceptions may be granted upon request if additional deposits are anticipated to the new account and depending upon your relationship to our firm and if you were referred to us from an existing client. In addition, family members can "household" accounts to reach the minimum account level required.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the "account"). The account consists only of separate account(s) held by the qualified custodian under your name. You retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Up Program accounts. The account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the account.

We obtain certain information from you to determine your financial situation and investment objectives. You are responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your account.

You grant us trading authority on your account and we manage your assets on a discretionary or non-discretionary basis. See **Item 16 - Investment Discretion**, for additional discussion on discretionary or non-discretionary authority. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

We charge for management services based on a percentage of assets under management. Up Program accounts are charged a single "wrap fee" that covers advisory, execution, custodial and reporting services. Fees generally range from 0.5% to 2.5% and are billed in advance either monthly or quarterly, as we jointly determine. Fees are calculated based on the fair market value of the account as of the last day of the previous billing period. Fees are negotiable depending on the market value of the account, the composition of account assets, the complexity of your situation, the representative providing the services and your relationship with us.

Fees can be billed directly to you or deducted from your account. If billed directly, fees are due upon receiving our billing notice, which details the formula used to calculate the fees, the assets under management and the time period covered. If fees are deducted from your account, you must provide the qualified custodian with written authorization to debit the advisory fees from your account and pay the fees to us. We send you a billing statement prior to the time fee deduction instructions are sent to the qualified custodian. The billing statement details the formula used to calculate the fee, the assets under management and the time period covered. Fees for accounts opened any time other than the beginning of a billing period are prorated based on the number of days remaining in the initial billing period. You should review your account statements received from the qualified custodian and verify that appropriate investment advisory fees are being deducted. The qualified custodian does not verify the accuracy of the investment advisory fees deducted.

You may incur certain charges imposed by third parties other than us in connection with investments made through the account including, but not limited to, 12b-1 fees and surrender charges, and IRA and

qualified retirement plan fees. The management fees charged by us are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

The Up Program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than an Up Program account.

Asset management services continue until terminated by either party. Either party may terminate the services by providing the other party with written notice, which is effective 14 days after receipt of the notice. If services are terminated within five business days of executing the client agreement, services are terminated without penalty. If services are terminated after the initial five day period, we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is actually provided during the final billing period. There is no penalty charge on termination.

This section is intended to be a summary of the Up Program. If you contract for Up Program services you are provided with a copy of the Up Program Form ADV Part 2A Appendix disclosure brochure.

General Information on Management Services

Advisor manages investments for other clients and may give them advice or take actions for them or for our personal accounts that are different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Advisor believes that its annual fees are reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual fees may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

Financial Planning & Consulting Services

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. If you would like to implement any of our investment recommendations through us or retain us to actively monitor and manage your investments, you must execute a separate written agreement for our asset management services.

All fees charged for our financial planning and consulting services are negotiable based upon the services requested, the representative providing the services, the complexity of your situation, the composition of your account, other advisory services provided and the relationship you have with us.

Financial Plans

Advisor offers financial planning services, which involve preparing either a full or modular written financial plan covering specific or multiple topics. Full financial plans typically address the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, portfolios review, asset allocation and real estate planning. When providing financial planning and consulting services, the role of your representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your representative develops his or her analysis and recommendations under a modular written financial plan. Our written financial plans do not include specific recommendations of individual securities.

Financial plans are provided for both hourly and fixed fees. Hourly fees generally range from \$250 to \$400 per hour and we provide you with an estimate of the approximate hours needed to complete the plan. If we anticipate exceeding the estimated hours required, we contact you for authorization to complete the plan. Fixed fees generally do not exceed \$20,000 and are also negotiable based on the actual services requested, the complexity of your situation and the representative providing the services. At our sole discretion, we may also elect to waive advisory fees for financial planning services. Fees are billed directly to you and due upon receiving our detailed billing notice.

At our sole discretion, we may require a retainer of one-half of the quoted estimated fee (both hourly and fixed) to be paid at the time the client agreement is signed, with the remainder due upon presentation of the completed plan. Under no circumstances does Advisor require you to pay more than \$500 more than six months in advance. The amount of the fee for services is specified in the client agreement signed by you and us. Upon completion and delivery of the financial plan, fees are considered earned by us and any unpaid amount is immediately due.

Financial planning services terminate upon delivery of the written financial plan. However, either party can terminate services at any time by providing written notice to the other party. Termination is effective immediately upon receipt of the notice. If services are terminated within five business days of entering into the client agreement, services are terminated without penalty. Fees are prorated if services are terminated prior to completion and presentation of the plan. Hourly fees are calculated based on the number of hours expended to the date of termination multiplied by the agreed upon hourly rate. Fixed fees are calculated based upon the percentage of work completed at the effective date of termination. Any paid in but unearned fees are refunded to you immediately, and any prorated fees earned but unpaid are due immediately. Advisor sends a detailed billing statement to you.

Consultations

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, you must identify those particular issues for which you are seeking our advice or consultation.

Consultations are also provided for both hourly and fixed fees. Hourly fees generally range from \$250 to \$400 per hour and we provide you with an estimate of the approximate hours needed to complete the requested consultations. If we anticipate exceeding the estimated hours required, we contact you for authorization to complete the services. Fixed fees generally do not exceed \$20,000 and are also negotiable based on the actual services requested, the complexity of your situation and the

representative providing the services. At our sole discretion, we may also elect to waive advisory fees for consulting services.

At our sole discretion, we may require a retainer of one-half of the quoted estimated fee (both hourly and fixed) to be paid at the time the client agreement is signed, with the remainder due upon completion of the consultations. Under no circumstances does Advisor require you to pay more than \$500 more than six months in advance. The amount of the fee for services is specified in the client agreement signed by you and us. Upon completion of the consultations, fees are considered earned by us and any unpaid amount is immediately due.

Fees are billed directly to you and due upon receiving our billing notice. You should notify us within ten days of receiving an invoice if you have questions about or dispute any billing entry.

Consultation services terminate upon completion of the requested consultations. "As-needed" consultations can also be terminated by either party at any time by providing written notice to the other party. Termination is effective immediately upon receipt of that notice. If services are terminated within five business days of entering into the client agreement, services are terminated without penalty. Fees are prorated if services are terminated prior to completion of the consultations. Hourly fees are calculated based on the number of hours expended to the date of termination multiplied by the agreed upon hourly rate. Fixed fees are calculated based upon the percentage of consultations completed at the effective date of termination. Any paid in but unearned fees are refunded to you immediately, and any prorated fees earned but unpaid are due immediately. Advisor sends a detailed billing statement to you.

Advisement Consultations

In addition to these services, we offer ongoing advisement consultations to participants in retirement plans (401(k) plans, profit sharing plans, etc.). When providing these services, we review your financial situation, goals and objectives as well as the investment options available in the retirement plan. We review your retirement plan account at quarterly intervals and make such recommendations from the list of available investment options in your retirement plan account as are deemed appropriate and consistent with your stated investment objectives and risk tolerance. These services do not constitute asset management services for your retirement plan account; we do not have investment discretion or trading authority over your retirement plan account. You determine whether or not to implement our advice, and it is your responsibility to implement any trades in your retirement plan account.

Advisement consultations are charged as either a fixed fee or a percentage of the assets under advisement. At our discretion, we may also elect to waive the fees for advisement consultations. Fixed fees generally do not exceed \$7,500 per year while percentage fees generally do not exceed 1.0% per year. Percentage fees are calculated based on the value of your retirement account on the last day of the current quarter. Fees are payable quarterly in arrears and are billed directly to you; fees are due upon receiving our billing notice. You should notify us within ten days of receiving an invoice if you have questions about or dispute any billing entry.

Advisement consultation services terminate upon completion of the consultations. However, either party can terminate services by providing written notice to the other party; termination is effective immediately upon receipt of the notice.

If services are terminated within five business days of entering into the client agreement, services are terminated without penalty. Fees are prorated if services are terminated prior to completion of the consultations. Fixed fees are calculated based upon the percentage of consultations completed at the effective date of termination. Percentage fees are calculated based upon the number of days that your portfolio assets were under advisement during the quarter. Whether billed directly or deducted from an account, fees are due immediately upon termination and Advisor sends a detailed billing statement to you.

Commission and Fee Offset

In addition to providing advisory services, representatives are also registered representatives and insurance agents. Therefore, they may earn fees when providing advisory services and commissions when selling securities and/or insurance products.

You may select any broker/dealer or insurance agent you wish to implement any transactions recommended by our representatives. If you elect to have our representatives implement the transactions, they may waive or reduce the amount of the advisory fee by the amount of the commissions received. Any reduction is at their discretion but does not exceed 100% of the commission received.

You may also elect to implement the advice of our representatives through one or more of our other advisory programs disclosed in this Disclosure Brochure. In this case, our representatives may waive or reduce the amount of the advisory fee as a result of earning additional ongoing fees. Any reduction is at their discretion and is disclosed to you prior to implementing any transactions or contracting for additional services.

Additional Information on Financial Planning and Consulting Fees

To the extent Advisor engages an outside professional (i.e. attorney, independent investment adviser or accountant) while providing financial planning and consulting services to you, we are responsible for paying the fees for the outside professional's services and you are not be required to reimburse us for those payments. To the extent that you personally engage an outside professional, you are responsible for paying the fees for the outside professional's services and we are not required to reimburse you for those payments. Fees for the services of an outside professional are in addition to and separate from the fees charged by Advisor. In no event are the services of an outside professional engaged without your express approval.

All fees paid to Advisor for financial planning and consulting services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to Advisor and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to Advisor are also separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus and generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. If you retain Advisor to implement the recommendations provided under these services, we may recommend load or no-load mutual funds that charge you 12(b)-1 fees. Any 12(b)-1 fees are offset.

In addition, all fees paid to Advisor are separate and distinct from the commissions charged by a broker/dealer or asset management fees charged by an investment adviser to implement such recommendations.

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

Newsletters

Advisor occasionally prepares general, educational and informational newsletters provided to clients and prospective clients free of charge. The newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual.

Seminars and Workshops

Advisor may occasionally provide seminars in areas such as financial planning, retirement planning, estate planning, college planning and charitable planning. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants. Seminars may be provided at no charge or, depending upon the topic and complexity of the presentation, a fee of up to \$500 per person may be charged. If a fee is charged, it is payable at the door.

Advisor also offers educational, informative and motivational workshops to the public as well as to associations, family foundations and employers. Workshops are always offered on an impersonal basis and do not focus on the individual needs of the participants. Workshops may be provided at no charge or for a fee of up to \$500 per person (depending upon the topic, length, materials provided and anticipated participants). If a fee is charged, we provide payment terms and cancellation procedures to sponsors and anticipated participants.

Retirement Plan Services

Advisor offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

Fiduciary Consulting Services

Advisor offers the following fiduciary retirement plan consulting services:

- **Investment Policy Statement Preparation.** Advisor helps you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the plan. You have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- **Non-Discretionary Investment Advice.** Advisor provides you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your plan's investment policy statement.
- **Investment Selection Services.** Advisor provides you with recommendations of investment options consistent with ERISA section 404(c).
- **Investment Due Diligence Review.** Advisor provides you with periodic due diligence reviews of the plan's reports, investment options and recommendations.
- **Investment Monitoring.** Advisor assists in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement. Advisor makes recommendations to maintain or remove and replace investment options.
- **Default Investment Alternative Advice.** Advisor provides you with non-discretionary investment advice to assist in developing qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the plan or who otherwise fail to make an investment election. You retain the sole responsibility to provide all notices to participants required under ERISA Section 404(c)(5).
- **Individualized Participant Advice.** Upon request, Advisor provides one-on-one advice to plan participants regarding their individual situations.

Advisor acknowledges that in performing the fiduciary consulting services listed above it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of *Employee Retirement Income Security Act of 1974* (“ERISA”) for purposes of providing non-discretionary investment advice only. Advisor acts in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause Advisor to be a fiduciary as a matter of law. However, in providing the fiduciary consulting services, Advisor (a) has no responsibility and does not (i) exercise any discretionary authority or discretionary control respecting management of client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of client’s retirement plan or (iii) have any discretionary authority or discretionary responsibility in administering client’s retirement plan or interpreting client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets and (c) is not the “Administrator” of client’s retirement plan as defined in ERISA.

Fiduciary Management Services

Advisor offers clients with the following fiduciary retirement plan management services:

- Discretionary Investment Selection Services. Advisor monitors the investment options of the plan and adds or removes investment options for the plan. Advisor has discretionary authority to make all decisions regarding the investment options that will be made available to plan participants.
- Default Investment Alternative Management. Advisor develops and actively manages qualified default investment alternative(s) (“QDIA”), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the plan or who otherwise fail to make an investment election.
- Investment Management via Model Portfolios. Advisor provides discretionary management via model portfolios. Advisor manages model portfolios which are investment options available to plan participants. If a plan has elected to include Advisor’s model portfolios as available options for the qualified retirement plan, then each plan participant has the option to elect or not elect the model portfolios managed by Advisor and is allowed to impose reasonable restrictions upon the management of each account by written instructions to Advisor.

If you elect to utilize any of Advisor’s fiduciary management services, then Advisor is acting as an investment manager to the plan, as defined by ERISA Section 3(38), with respect to our fiduciary management services, and Advisor hereby acknowledges that it is a fiduciary with respect to our fiduciary management services.

Non-Fiduciary Services

Advisor offers clients the following non-fiduciary retirement plan consulting services:

- Participant Education. Advisor provides education services to plan participants about general investment principles and the investment alternatives available under the plan. Advisor’s assistance in participant investment education is consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations do not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. Advisor assists you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Due Diligence Review. Advisor provides you with periodic due diligence reviews of your plan’s fees and expenses and your plan’s service providers.

- Fiduciary File Set-up. Advisor helps you establish a “fiduciary file” for the plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. Advisor provides you benchmarking services and provides analysis concerning the operations of the plan.

Although an investment adviser is considered a fiduciary under the *Investment Advisers Act of 1940* and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA.

The exact services provided to clients are listed and detailed in the Qualified Retirement Plan Agreement.

All recommendations of investment options and portfolios are submitted to the client for ultimate approval or rejection. Therefore, it is always the client’s responsibility to accept Advisor’s investment recommendations and then physically make changes to the plan itself.

In the event a client contracts with Advisor for one-on-one consulting services with plan participants, the services are consultative in nature and do not involve Advisor implementing recommendations in individual participant accounts. It is the responsibility of each participant to implement changes in the participant’s individual accounts. Advisor can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Retirement plan consulting services are not management services, and Advisor does not serve as administrator or trustee of the plan. Advisor does not act as custodian for any client account or have access to client funds or securities (with the exception of some accounts, having written authorization from the client to deduct our fees). In addition, we do not implement any transactions in a retirement plan or participant’s account. For retirement plan consulting services, the retirement plan or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Advisor discloses to you, to the extent required by ERISA Regulation Section 2550.408b-2(c), any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclose as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or plan administrator (unless such disclose is precluded due to extraordinary circumstances beyond our control, in which case the information is disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learns of such error or omission.

Fees for retirement plan services can be charged as a fixed fee or as a percentage of plan assets. The fixed fee generally ranges from \$500 to \$75,000 per year while percentage fees range from 0.05% to 1.00% annually. All fees are negotiable based upon the services provided, the representative providing the services, the size and complexity of the plan, the potential for additional deposits to the plan and the

number of participants. The exact services and fees are specified in the Agreement that we both sign before any services are provided. At our sole discretion, you may be required to pay a portion of the fixed fee at the time the Agreement is signed. However, at no time do we require payment of more than \$500 in fees more than six months in advance. Upon completion of the services, the fixed fee is considered earned by Advisor and any unpaid amount is immediately due. Retirement plan sponsors can elect to pay all or a portion of fees for the individualized services provided by us to the plan participants.

Depending upon the plan, fees can be billed monthly or quarterly and can be billed in advance or arrears. Percentage fees are calculated based on the average daily balance of the account during the previous billing period (for advance) or the current billing period (for arrears). For accounts opened mid-period, fees are prorated based on the number of days service is provided during the initial billing period.

Fees for financial planning and consultation retirement planning are billed directly to clients and due upon receiving our billing notice. Fees for management retirement plan services can be deducted from the client's account or billed directly to the client. If billed directly, fees are due upon receipt of our billing notice. If management fees are automatically deducted from an existing account, clients are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Advisor. We provide the custodian with a fee notification statement.

Retirement plan services are for a term of 1 year. Either party can terminate the services at any time by providing the other party with written notice. Services terminate thirty days following receipt of the termination notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Fees are prorated as of the effective date of termination. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination. Any prorated fees earned but unpaid are due immediately.

Advisor does not reasonably expect to receive any other compensation, direct or indirect, for its services. If we receive any other compensation for such services, we (i) offset that compensation against our stated fees and (ii) disclose to you the amount of such compensation, the services rendered for such compensation and the payer of such compensation.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Advisor does not charge or accept performance-based fees and, therefore, this section is not applicable to us.

Item 7 – Types of Clients

Advisor generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

Minimum Investment Amounts Required

Advisor requires a minimum of \$100,000 in order to open an account in either the Up Management Program or the Up Program. Exceptions may be granted to this minimum depending upon anticipated additional deposits to the account, your relationship to our firm and if you were referred to us from an existing client. In addition, family members can aggregate or "household" accounts to reach the minimum requirement level. There is no minimum account value for sub-account management services.

There are no minimum accounts levels required or advisory fees charged or financial planning and consulting services. There are no minimum plan asset value requirements or advisory fees charged for retirement planning services.

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

Methods of Analysis

Advisor uses the following methods of analysis in formulating investment advice:

- **Charting** - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk in relying on chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, relying on chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

- **Cyclical** - This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company often rises just before an economic upturn begins and falls just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

- **Fundamental** - This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus

necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

- Technical - This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, Advisor gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

Investment Strategies

Advisor uses the following investment strategies when managing client assets and/or providing investment advice:

- Long term purchases: Investments held at least a year.
- Short term purchases: Investments sold within a year.
- Frequent trading: This strategy refers to the practice of selling investments within 30 days of purchase.
- Tactical asset allocation: Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

- Strategic asset allocation: Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.
- Investment Models: Advisor uses the following investment models:
 - Current Income Model: This model risk category is conservative for investors with priority to earn income with a low tolerance for risk.
 - Income with Moderate Growth: This model risk category is moderately conservative for investors with priority to earn income with partial allocation to moderate growth.
 - Moderate Growth: This model risk category is moderate growth for investors with priority for moderate growth.
 - Growth: This model risk category is growth for investors with priority for growth.

Advisor primarily uses the tactical method of analysis and strategy.

Primarily Recommend One Type of Security

Advisor does not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client’s specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Advisor is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (Stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Investment Models Risk – Assets held in a model portfolio based on your risk tolerance (i.e., conservative, moderate, growth, etc.) are still subject to the various risks previously discussed. For example, a defensive investor may have a large allocation towards cash and fixed income with only a small (if any) allocation towards equities and property. If market conditions result in low or falling rates of interest, an investor may not be able to participate in any parallel rise in equity prices.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Advisor is not and does not have a related person that is a(n):

- Broker/dealer, municipal securities dealer, government securities dealer or broker
- Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund" and offshore fund)
- Another investment adviser or financial planner
- A futures commission merchant
- Commodity pool operator or commodity trading advisor
- Banking or thrift institution
- Accountant or accounting firm
- Lawyer or law firm
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships.

Advisor is an independent registered investment adviser and only provides investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while Advisor does not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

Registered Representative of a Broker-Dealer

Our representatives are also registered representatives of LPL Financial Corporation, a securities broker/dealer and you may work with representative in that separate capacity. When acting as a registered representative, your representative may sell to you general securities products (such as stocks, bonds, mutual funds and exchange-traded funds) and variable annuity and variable life products. They can earn commissions when selling these products. As such, your representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. Receiving commissions creates an incentive to recommend those products for which your representative can receive a commission in his or her separate capacity as a registered representative of a securities broker/dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial Corporation. You can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions, they must use LPL Financial Corporation. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial Corporation. The commissions charged by LPL Financial Corporation may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Insurance Agent

You may work with your representative in his or her separate capacity as an insurance agent. When acting as an insurance agent, they may sell to you general disability insurance, life insurance, annuities and other insurance products. The representative can earn commissions when selling these products. As such, your representative may suggest that you implement Advisor's recommendations by purchasing disability insurance, life insurance, annuities or other insurance products. Receiving commissions creates an incentive to recommend those products for which your representative can receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your representative.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Advisor has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Advisor's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Advisor requires its supervised persons to consistently act in your best interest in all advisory activities. Advisor imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Advisor's Code of Ethics. If you wish to review the Code of Ethics in its entirety, you should send request a copy from us and we will promptly provide a copy to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Advisor or its associated persons may buy or sell for their personal accounts investment products identical to those recommended to clients. This creates a potential conflict of interest. It is Advisor's express policy that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. Advisor and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by Advisor's Chief Compliance Officer.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

Clients are under no obligation to act on advisor's financial planning recommendations. If the firm assists in implementing of any recommendations, we are responsible for ensuring that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs, but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Advisor may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Advisor has decided to require our clients to use broker/dealers and other qualified custodians determined by us.

Broker/Dealer Affiliation (LPL Financial Corporation)

If you wish to implement our advice you are free to select any broker you wish. If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL Financial Corporation is used. Our representatives are registered representatives of LPL Financial Corporation and are required to use its services when acting in the capacity as a registered representative. LPL Financial Corporation has a wide range of approved securities products for which it performs due diligence prior to selection. LPL Financial Corporation's registered representatives are required to adhere to these products when implementing securities transactions through LPL Financial Corporation. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

Because our representatives are also registered representatives of LPL Financial Corporation, that broker/dealer provides compliance support to them. LPL Financial Corporation also provides our representatives and, therefore us, with back-office operational, technology and other administrative support.

If you wish to implement our advice through any of the programs described in this Disclosure Brochure, LPL Financial Corporation will be used as the broker/dealer and/or custodian. LPL Financial Corporation will be the primary broker/dealer and custodian recommended due to the relationship our representatives have with that broker/dealer. We recommend broker/dealers and custodians that we have determined will provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with LPL Financial Corporation. LPL Financial Corporation may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL Financial Corporation, economic benefits may be provided to us by LPL Financial Corporation that are not be provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL Financial Corporation participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations and year-end reports

Please also see **Item 5 - Fees and Compensation**, for additional information about advisory services and implementing recommendations.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Advisor does not have a soft dollar agreement with a broker-dealer or a third-party.

Handling Trade Errors

Advisor has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is Advisor's policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by Advisor if the error is caused by Advisor. If the error is caused by the broker/dealer, the broker/dealer is responsible for handling the trade error. Any investment gain resulting from a correcting trade is retained by LPL. Advisor never benefits or profits from trade errors.

Block Trading Policy

Advisor may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by us when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

We use the average price allocation method for transaction allocation. Under this procedure Advisor calculates the average price and transaction charges for each transaction included in a block order and assigns the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Advisor or our associated persons may invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

Agency Cross Transactions

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Managed accounts are reviewed at least quarterly by the representative responsible for the account. When conducting account reviews, the representatives check each client's investment strategy and

objectives to see if any changes have occurred or should be made. The calendar is the main triggering factor for reviews, but they can also be conducted at your request.

Financial planning services terminate upon the presentation of the written plan and consulting services terminate upon completion of the consultations. These services do not include monitoring the investments of your accounts and so there is no ongoing review of your account under such services.

Statements and Reports

Managed accounts receive transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Advisor may provide position reports to you upon request.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by Advisor. .

Clients are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. If clients have questions about their account statement, they should contact us and/or the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Advisor does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in **Item 5 – Fees and Compensation**. Advisor does not receive any other form of compensation in connection with providing investment advice.

Please also see **Item 10 - Other Financial Industry Activities and Affiliations** and **Item 12 - Brokerage Practices** for additional discussion concerning other compensation.

From time to time, Advisor may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements is not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. Advisor is deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Advisor ever maintains. It should be noted that authorization to trade in client accounts is not deemed by regulators to

be custody. For accounts custodied at LPL, only LPL is authorized to deduct advisory fees from client accounts and pay them to Advisor.

For accounts in which Advisor is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Advisor. When clients have questions about their account statements, they should contact Advisor or the qualified custodian preparing the statement.

When fees are deducted from an account, Advisor is responsible for calculating the fee and delivering instructions to the custodian. At the same time Advisor instructs the custodian to deduct fees from a client's account, Advisor sends the client an invoice itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Item 16 – Investment Discretion

When providing asset management services, Advisor maintains trading authorization over your Account and can provide management services on a discretionary or non-discretionary basis. When discretionary authority is granted, we have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, it is our policy to consult with you prior to making significant changes in the account even when discretionary trading authority is granted.

If you decide to grant trading authorization on a non-discretionary basis, we are required to contact you prior to implementing changes in your account. Therefore, you are contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we are responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis and if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You may also place reasonable limitations on the discretionary power granted to Advisor so long as the limitations are specifically set forth or included as an attachment to the client agreement.

For sub-account management services, when discretionary authority has been granted in writing by you, Advisor exercises limited discretionary authority to exchange sub-accounts available in the variable annuity and/or variable life contract without contacting you in advance to obtain your consent for each exchange. Under our sub-account management services, you have the ability to place reasonable restrictions on the available sub-accounts utilized by Advisor. You may also place reasonable limitations on the discretionary power granted to Advisor so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Proxy Voting

Advisor does not vote proxies on behalf of clients, nor do we provide recommendations or clarifications regarding proxy issues. It is your responsibility to vote all proxies for securities held in account. You should read through the information provided with the proxy-voting documents and make a determination based on the information provided. You receive proxies directly from the qualified custodian or transfer agent; we do not provide you with the proxies.

Class Action Lawsuits

You retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. Advisor does not initiate such a legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether the client should join a class-action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Upon your specific instruction, we may provide assistance to you regarding an investment history related to the security underlying the individual, or class-action, lawsuit and may provide assistance with the completion of this portion of certain class-action paperwork. At no time should such assistance be deemed as a substitute for consulting with legal counsel.

Item 18 – Financial Information

Advisor does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Advisor has not been the subject of a bankruptcy petition at any time.

Item 19 – Requirements for State-Registered Advisers

Executive Officer and Management Personnel

Anton J. Bayer, CFP®

Educational Background:

Golden Gate University: 8/83-8/85

Indian Valley Junior College: 8/81-8/83

Professional Designations:

Certified Financial Planner™ (CFP®)

Business Experience:

Up Capital Management, Inc.: President and Chief Compliance Officer, 7/12-present; Investment Advisor Representative, 7/12-present

LPL Financial Corporation: Registered Principal, Branch Manager, 11/11-present; Investment Advisor Representative, 11/11-7/12

Securities America Advisors, Inc.: Investment Advisor Representative, 8/09-11/11

Securities America, Inc.: Registered Representative, 8/09-11/11

CBIZ Financial Solutions, Inc.: Senior Vice President, Registered Representative, 2/05-8/09; Investment Advisor Representative, 4/00 -12/09

Advisor does not receive performance-based fees and none of our management personnel have been involved in any client arbitrations or similar legal disputes. Neither Advisor nor our management personnel have a relationship or arrangement with any issuer of securities.

Per the requirements of CCR Section 260.238(k), Advisor has fully disclosed all material conflicts of interest regarding Advisor, its representatives or any of its employees that could reasonably be expected to impair the rendering of unbiased and objective advice.

Customer Privacy Policy Notice

Regulation S-P, Privacy of Consumer Financial Information, requires financial institutions, including Advisor, to provide notice to current clients and prospective clients about their policies and practices concerning the collection and use of customer, non-public information. This privacy policy notice is given to all of our prospective clients upon entering into a contract with us and annually thereafter.

Privacy Disclosure Statement. Our primary goal is to protect the privacy of its clients. We do not sell the personal information of clients to anyone.

To conduct regular business, we may collect non-public personal information from clients. This information is provided to us on applications and other forms provided by clients to us as well as transactions with the firm, its affiliates or others.

We may enter into contracts with outside third parties so that we can assist clients in servicing their accounts. In order to do this, we disclose personal information to companies that help us process transactions for client accounts (for example, executing client trades through a broker/dealer). However, we do not share or disclose any non-public customer information except as allowed or required by law. In addition to sharing information in order to provide financial services to clients, we may be required to disclose personal information to cooperate with regulators or law enforcement authorities, to resolve customer disputes or for risk control.

Information Safeguarding. We have implemented strict policies and procedures aimed at protecting the sensitive nature of client information. We restrict access to client information to only those members of our firm that must provide products and services to clients in order to service client accounts. We have implemented physical, electronic, and procedural safeguards aimed at meeting our duty to protect non-public client information.

If clients have any questions concerning our customer privacy policy or concerns about their personal information please feel free to contact Anton Bayer at the number located on the cover page of this Disclosure Brochure.

Business Continuity Plan

Advisor has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.

4817-1516-4441, v. 1