

**Treasure Coast Financial Planning, Inc.**

**Form ADV Part 2A  
Firm Brochure**

**March 2014**

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This brochure provides information about the qualifications and business practices of Treasure Coast Financial Planning, Inc.

If you have any questions about the contents of this brochure, please contact Theodore J. Zamerski III, our Chief Compliance Officer at (772) 231-1422.

This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. SEC registration does not imply a certain level of skill or training.

Additional information about Treasure Coast Financial Planning, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2. Material Changes****Material Changes You Should Know:**

Since our first SEC filing in March 2013, there have been no material changes to report.

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**Item 3. Table of Contents**

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## **Item 4. Advisory Business**

### ***A. General Description of Advisory Firm.***

Treasure Coast Financial Planning, Inc. (“TCFP”, “Firm”, or “we/us/our”) is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Our Firm was founded in 1996 and became an SEC registered investment adviser in 2013. Our primary place of business is located in Vero Beach, Florida.

We provide comprehensive wealth management services, primarily fee-based asset management and financial planning investment advisory services to separately managed client accounts on a discretionary basis (“Clients” or “you/your”).

Our Firm is organized as a corporation and our principal owner is Guy L. Bassini.

### ***B. Description of Advisory Services***

It is our goal to attempt to eliminate conflicts of interest with our Clients wherever possible. Our Firm is independent and was structured to avoid the common conflicts of interest that can exist in the investment advisory business. As further described below, we do not have any affiliated entities (such as a broker-dealer), proprietary products, investment banking relationships or other business activities that may be inconsistent with our Client’s needs. All potential conflicts of interest are disclosed in this brochure and the brochure supplements. In addition, as part of our Firm’s compliance program, we have developed procedures to reasonably identify and mitigate actual and potential conflicts of interests for our Firm and our employees.

Our advisory services encompass an assessment of the client's goals, financial situation, risk tolerance and time horizon followed by asset allocation, investment selection and investment implementation recommendations as agreed upon with our Client. We meet with our Clients to review their investments at least annually and more often as necessary to help them meet their goals.

We provide investment consulting services that relate to matters such as allocation of assets among different classes, executive compensation packages, stock option analysis, business transfer and other general economic and financial topics. Our consulting services include client retirement plans such as 401(k) and 403(b) plans. For example, Clients may utilize our services to manage their retirement plan underlying investment allocations. We receive financial planning fees for our consulting services.

Client account supervision is guided by the stated objectives of our Client’s investment management agreement (“IMA”) with us, and all Client accounts will be maintained with an independent custodian bank or broker-dealer.

We participate in the institutional services program offered to independent investment advisers by Pershing Advisor Solutions LLC (an affiliate of the Bank of New York Mellon)

(“Pershing” or “Platform Provider”). We have selected Pershing because we believe they are one of the leading custody, clearing, and trade execution providers in the industry. Pershing gives us access to a comprehensive range of products and we believe it will help us in our attempt to observe industry best practices for your account. See item 12 below for information on our brokerage practices.

Clients with variable annuity products may select to use our services to manage the subaccount investments. We will review the annuity’s subaccount options and determine the best fit for the client based upon the client’s investment objectives for the product. Clients that select this service option will have the annuity’s assets included in the client’s total assets under management with our firm and management fees will apply.

We also provide tax-related services to Clients. This is not considered an investment advisory service and tax-related services make up a small percentage of our overall business. Additional information regarding our other business activities is disclosed below, which includes our Form ADV Part 2B Brochure Supplements for our investment professionals.

### ***C. Availability of Tailored Services for Individual Clients***

As a Client, you may impose restrictions on investing in certain securities.

The advice we provide is based on the individual needs of each Client and we are responsible for all day-to-day investment and trading decisions for accounts. In providing these services, we consider such factors as size of the account, Client’s income and investment objectives (including tax sensitivity), investment guidelines, investment restrictions and relative tolerance for risk as stated in your IMA.

### ***D. Wrap Fee Programs.***

This is not applicable as we do not offer any wrap fee programs.

### ***E. Client Assets Under Management.***

As of February 28, 2014, we have approximately \$127,978,775 in assets under management, all of which is managed on a discretionary basis.

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## **Item 5. Fees and Compensation**

### ***A. Advisory Fees and Compensation***

We receive a management fee from our Clients for investment management services pursuant to our Investment Management Agreement (the “Management Fee”). Our investment advisory fees are negotiable at our discretion and will vary depending on account size, among other factors. We impose a minimum account size of \$500,000 per household, which may be waived and is subject to our discretion. We reserve the right to waive fees.

We charge four types of fees to our Clients:

- 1) **Management Fees**
- 2) **Financial Planning Fees**
- 3) **Hourly Consulting Fees**
- 4) **Tax Return Preparation Fees** (non-securities/advisory related business)

- 1) **Management Fees**: Typically, our fee for advisory services is determined as a percentage of assets under management according to the following schedule (which is subject to change at our discretion):

| ASSETS UNDER MANAGEMENT      | FEE   |
|------------------------------|-------|
| First \$500,000-1,000,000    | 1.00% |
| Next \$1,000,001-\$2,000,000 | 0.85% |
| Next \$2,000,001-\$5,000,000 | 0.60% |
| Over \$5,000,001+            | 0.50% |
| Total AUM Below \$500,000    | 1.25% |

This is a tiered scheduled fee schedule. For example the first \$1,000,000 of a \$5,000,000 account is charged at 1.00%.

- 2) **Financial Planning Fees**: We generally charge a fixed-rate fee which ranges based upon the type of services being performed, as described in the table below. These fees are determined and subject to change at our discretion. This fixed-rate fee applies to financial planning fees only and is negotiated with each Client.

Financial Plan Fee Schedule: (next page)

| TRADITIONAL  | EXECUTIVE                       | CEO                             |
|--|---------------------------------|---------------------------------|
| \$1,950*   | \$2,500*                        | \$5,000*                        |
| Financial Plan Fee Schedule - ½ Fee due with initial agreement – balance due on delivery** |                                 |                                 |
| Cash flow management   | Cash flow management            | Cash flow management            |
| Retirement planning  | Retirement planning             | Retirement planning             |
| Estate planning  | Estate planning                 | Estate planning                 |
| Net worth analysis   | Net worth analysis              | Net worth analysis              |
| Tax analysis   | Tax analysis                    | Tax analysis                    |
| Risk management  | Risk management                 | Risk management                 |
| Education planning   | Education planning              | Education planning              |
|  | Multiple Real Estate Holdings   | Multiple Real Estate Holdings   |
|  | Multi-state issues              | Multi-state issues              |
|  | Executive compensation packages | Executive compensation packages |
|  | Stock option analysis           | Complex stock option analysis   |
|  | Small business owners           | Small business owners           |
|  |                                 | Extensive estate planning       |
|  |                                 | Business transfer               |

\* Advisory clients: 2nd fee installment waived with minimum advisory fee assets of \$500,000.

\*\* Financial Planning-only clients: Additional \$495 annual eMoney system maintenance fee due on plan anniversary date (includes annual review meeting).

- 3) **Hourly Consulting Fees:** We generally charge around \$250 per hour; however this rate can be higher depending on the complexity of the plan.
- 4) **Tax Return Preparation Fees (non-securities related business):** We offer Individual Federal 1040 Income Tax return preparation services (and state income tax returns where required) for our clients as well as Federal form 1041 Fiduciary Income Tax Returns (and state where required). Our minimum fee is \$225 for Federal 1040 (plus state(s) if required) and \$525 for Federal 1041 (plus state(s) if required).

### ***B. Payment of Fees.***

When opening an account, you will authorize us to invoice your custodian directly for our Management Fee, and you authorize the custodian to pay us directly from your account. This authorization is part of our Investment Management Agreement.

TCFP shall be paid a percentage fee based on the fair market value of a client's account on a quarterly basis (the "Management Fee"). The Management Fee will be calculated and billed quarterly in advance based upon the value of the account on the last day on which the New

York Stock Exchange is open in each quarterly cycle. Accounts that are opened other than the first day of a quarter shall be billed based upon the deposits received within the quarter and the fees will be prorated throughout the quarter.

If the Investment Management Agreement is terminated before the end of the quarterly period, the client shall be reimbursed a prorated refund of any pre-paid quarterly Management Fee based on the number of days remaining in the quarterly cycle after termination date.

Our financial planning fees are payable as follows: one half of the fee is due with the initial agreement and the balance is due upon delivery of our agreed upon services with the Client.

### ***C. Other Fees and Expenses.***

As a Client, you will incur other fees and expenses in connection with our management of your account(s). For example, you will have a third-party custodian bank that has possession of your assets and settles trades (typically Pershing). Your custodian may charge additional fees such as: wire transfers, cash management, NSF, foreign transaction fees, and account closing fees.

Cash balances in your account will not bear interest. If you choose to participate in one of the interest-bearing money market funds offered by Pershing, you should be aware that these funds charge a management fee that is assessed as an expense. This should be considered an additional fee. We may invest Client cash balances in other available bank deposit programs as well.

If you have assets in your account which are invested in funds (such as mutual funds or exchange-traded funds), those assets will be considered part of the value of your account when we calculate our Management Fee. Variable annuity assets will also be included if we are providing subaccount management services. You will also pay additional fees and charges to the managers of those funds or subaccounts. For example, a mutual fund manager charges a management fee and other fund fees and expenses that you will pay in addition to any fees paid to us in the form of Management Fees. This will lower your overall account performance in the aggregate. We primarily recommend no-load or load-waived mutual funds and variable annuities for our Clients.

A client could invest in a mutual fund or variable annuity directly, without our services, and not incur a Management Fee. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or subaccounts/funds are most appropriate to each client's financial condition and objectives. Under all circumstances, we will not be compensated or receive compensation of any kind payable by a mutual fund or other money manager.

See item 12 below for additional information on our Brokerage Practices and additional fees charged to you as a Client.



#### ***D. Prepayment of Fees.***

As stated above in Section B, we receive our Management Fee in advance each quarter. We do not bill more than six months in advance and any prepaid fees are refunded on a pro-rata basis upon termination. We do not keep any unearned fees.

#### ***E. Additional Compensation and Conflicts of Interest.***

We are not affiliated with any broker-dealers so we do not receive investment commissions on investment transactions. We do not buy or sell securities for our own proprietary account. We are not compensated for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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#### **Item 6. Performance-Based Fees and Side-by-Side Management**

We do not charge performance-based fees; this item is not applicable to our Firm.

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#### **Item 7. Types of Clients**

We provide management services to high net worth individuals, charitable organizations and corporations or other business entities.

As noted above, we may impose a minimum Client account balance of \$500,000 for opening an account with us, which is subject to change at our sole discretion.

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

##### ***A. Methods of Analysis and Investment Strategies.***

Our fundamental approach to Client portfolio management is based upon a number of core beliefs. Among these is that markets tend to be efficient over long periods of time. As a result, during most periods portfolios will generally benefit from core positions focused on broad diversification and low cost. We also believe that while it is impossible to eliminate risk, broad diversification helps reduce the possibility that an unforeseen negative event will seriously damage the overall portfolio. Our several decades of cumulative investment experience have demonstrated to us that highly concentrated positions, frequent trading, and high costs pose an unnecessary challenge to the long-term success of client portfolios. Therefore we believe that clients should diversify across asset classes, markets, countries and maturities.

We utilize a top-down approach to developing strategic allocation models for our Clients. Target allocations are determined according to the time horizon and risk profile of clients. In keeping with our belief in the importance of low cost and broad diversification we primarily use mutual funds (no load and load-waived) and Exchange Traded Funds (ETFs) for our core Client positions. We then seek to increase return, reduce risk, or meet income needs by

overweighting to sectors which we believe have the potential to add value to Client portfolios or underweighting those sectors we view less favorably. Client risk tolerance permitting, we may periodically add real estate funds, long/short funds, arbitrage funds, commodity funds, and market neutral funds. In larger Client accounts, we may also use individual bond positions or hold individual stocks.

While we believe that over long periods of time markets tend to be efficient, there are infrequent periods of serious inefficiency when extreme values present themselves. It is during those periods that we may significantly increase our allocation to an undervalued sector.

Based upon the risk tolerance and investment objectives Clients provide us with, we will make investments in their account which follow those objectives. While we primarily use exchange-traded funds (ETFs), no-load mutual funds and bond investments (for larger accounts) when investing on behalf of our Clients, we at times also include: other equity securities (including over-the-counter and securities of foreign issuers), load-waived mutual funds, commercial paper, certificates of deposit, United States government securities and other government-related bonds, options contracts on securities, and convertible securities.

Clients may impose restrictions on investing in certain securities which will be outlined in the IMA.

Our Investment Adviser Representatives (“IAR”) invest Client assets using the strategy they think is appropriate based on the Client’s stated investment objectives. If Clients instruct us to emphasize a specific approach, it will be noted in the IMA.

Investing in securities involves a risk of loss that Clients should be prepared to bear.

## ***B. Material Risks (Including Significant or Unusual Risks) Relating to Investment Strategies.***

All investments involve financial risk for which you are responsible. It is also your responsibility to pay any taxes which may be due on transactions in your account.

Each of the above strategies may prove to be unprofitable and you should be prepared to withstand losses when investing in securities. You take on risk whenever you have market exposure, including, but not limited to, the following:

ETF Risk. ETFs are investment companies (including open-end and closed-end) that are bought and sold on a securities exchange, like a stock. The risks of owning an ETF are generally comparable to the risks of owning the underlying securities held by the ETF. However, when an account invests in an ETF, it will bear additional expenses based on its pro rata share of the ETF’s expense ratio. In addition, because of these expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

Mutual Funds. Mutual funds are investment companies. Open-end mutual funds shares are issued by the fund, unlike closed-end mutual funds which are market-traded securities. The risks

of owning mutual funds are generally comparable to the risks of owning the underlying securities held by the mutual fund. When an account invests in mutual funds it will bear additional expenses incurred by the fund.

**Stock Market Risk.** The value of the equity securities in which the account invests may decline in response to developments affecting individual companies and/or general economic conditions. Price changes may be temporary or last for extended periods. For example, stock prices have historically fluctuated in periodic cycles. Accounts investing in the stock market directly may experience greater volatility, both upside and downside.

**Stock Selection Risk.** In addition to, or in spite of, the impact of movements in the overall stock market, the value of an account's investments may decline if the particular companies in which the account invests do not perform well in relation to the market.

**Sector Concentration Risk.** An account may invest a substantial portion of its assets within one or more economic sectors. To the extent an account is concentrated in one or more sectors, market or economic factors impacting those sectors could have a significant effect on the value of the account's investments. Additionally, an account's performance may be more volatile when the account's investments are less diversified across sectors. For example, since benchmark sector weights influence an account's sector exposure, an account could tend to be more heavily weighted in health care or information technology companies. The values of health care and information technology companies are particularly vulnerable to rapid changes in technology product cycles, government regulation and competition. Health care stocks are also heavily influenced by the impact of cost containment measures. Technology stocks, especially those of less-seasoned companies, tend to be more volatile than the overall market.

**Credit Risk.** An account may lose money if an issuer of a fixed income security is unable or unwilling to make timely principal and/or interest payments or to otherwise honor its payment obligations. Further, when an issuer suffers adverse changes in its financial condition or credit rating, the price of its debt obligations may decline and/or experience greater volatility. A change in financial condition or credit rating of a fixed income security can also affect its liquidity and make it more difficult to sell.

**Interest Rate Risk.** The value of a bond may decline due to an increase in the absolute level of interest rates, or changes in the spread between two rates, the shape of the yield curve or any other interest rate relationship. Longer-term bonds are generally more sensitive to interest rate changes than shorter-term bonds. Generally, the longer the average maturity of the bonds held by an account, the more an account's value will fluctuate in response to interest rate changes.

**Pre-payment Risk.** If an account is invested in asset-backed and mortgage-backed securities such account may be subject to higher prepayment risk than an account with a higher concentration in other types of fixed income securities. An account may experience losses when an issuer exercises its right to pay principal on an obligation earlier than expected. This may happen during a period of declining interest rates. Under these circumstances, the account may be unable to recoup all of its initial investment and will suffer from having to reinvest in lower yielding securities. The loss of higher yielding securities and the reinvestment at lower interest rates can reduce an account's income, total return and share price. Rates of prepayment, faster or slower than expected, could reduce an account's overall yield, increase the volatility of the account and/or cause a decline in value.

**Municipal Securities Risk.** The yields of municipal securities may move differently and adversely compared to yields of the overall debt securities markets. There could be changes in applicable tax laws or tax treatments that reduce or eliminate current federal income tax exemptions on municipal securities and otherwise adversely affect the current federal or state tax status of municipal securities. Such changes also may adversely impact the value of municipal securities owned by an account and, as a result, the value of the account. The value of a municipal security is also affected by the overall financial health of the specific municipal entity issuer. A local municipality that cannot meet its financial obligations could lead to a default on its bonds.

**When-Issued Securities and Delayed Delivery Risk.** A purchase of “when-issued” securities refers to a transaction made conditionally because the securities, although authorized, have not yet been issued. A delayed delivery or forward commitment transaction involves a contract to purchase or sell securities for a fixed price at a future date beyond the customary settlement period. Purchasing or selling securities on a when-issued, delayed delivery or forward commitment basis involves the risk that the value of the securities may change by the time they are actually issued or delivered. These transactions also involve the risk that the counterparty may fail to deliver the security or cash on the settlement date. In some cases, an account may sell a security on a delayed delivery basis that it does not own, which may subject the account to additional risks generally associated with short sales. Among other things, the market price of the security may increase after an account enters into the delayed delivery transaction, and the account will suffer a loss when it purchases the security at a higher price in order to make delivery. In addition, an account may not always be able to purchase the security it is obligated to deliver at a particular time or at a favorable price.

***C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant or Unusual Risks).***

We primarily recommend no-load (or load-waived) mutual funds and exchange-traded funds for our Clients. The material risks associated with these types of investments is described above in Item 8.B. above.

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**Item 9. Disciplinary Information**

We have no legal or material disciplinary events related to our Firm or any of our employees.

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

***A. Broker Dealer Registrations.***

We have no registered representatives of a broker-dealer at our firm.

***B. Futures or Commodities Registrations.***

This item is not applicable to our Firm.

### ***C. Material Relationships.***

We consider our relationship with Pershing to be a material relationship since the majority of our advisory Client accounts are expected to be custodied at Pershing. Pershing provides us with transaction and reporting data that allows us to monitor our Client accounts. We have no affiliation or relationship with Pershing other than as described in this brochure.

### ***D. Selection of Other Investment Advisers.***

We do not recommend or select other investment advisers for our Clients.

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

### ***A. Code of Ethics.***

Our Firm has adopted a Code of Ethics pursuant to SEC Rule 204A-1 that obligates our Firm and our employees to put the interests of our clients before our own interests and to act honestly and fairly in all respects in dealing with our Clients. Our employees are also required to comply with applicable federal securities laws.

Our Code of Ethics describes our Firm's fiduciary duties and responsibilities to our clients and sets forth a practice of supervising the personal securities transactions of our employees with access to Client information. Employees of our Firm may buy or sell securities for their personal accounts identical to or different from those recommended to our Clients. It is our Firm's expressed policy that employees must put the interests of Clients ahead of their personal investment decisions.

To supervise compliance with our Code of Ethics, we require that anyone associated with us that has access to advisory recommendations provide duplicate copies of brokerage account activity and annual securities holdings reports to our Firm's Chief Compliance Officer. It is also required that such employees receive approval from our Chief Compliance Officer prior to investing in any initial public offerings (IPOs) or private placements. Our Code of Ethics further includes a policy prohibiting the use of material non-public information.

Any employee not in observance of the above may be subject to disciplinary procedures.

A complete copy of our Firm's Code of Ethics will be provided to any client upon request to our Firm's Chief Compliance Officer at our principal address, Telephone (772) 231-1422.

### ***B. Client Transactions in Securities where Adviser has a Material Financial Interest.***

We do not engage in principal transactions or agency cross transactions. We do not execute transactions between Client accounts (including rebalancing trades between Client accounts).

Our Firm has no material financial interest in, nor any affiliation with, any other firm or securities issuer; therefore, no such conflicts exist with our Clients. Further, our Firm does

not buy or sell securities of any kind for our Firm's own proprietary account for any purpose including, for example, for reselling to Clients. Trades are not conducted between a Firm account and Client accounts.

***C. Investing in Securities Recommended to Clients.***

Our employees are permitted to invest in the same securities that we recommend to our Clients.

Our Code of Ethics requires reporting of personal transactions in reportable securities (as defined under Rule 204A-1) which is reviewed at least quarterly by our Chief Compliance Officer. These reviews are reasonably designed to attempt to identify and mitigate any potential manipulative trading, trading ahead of Clients and insider trading.

***D. Conflicts of Interest Created by Contemporaneous Trading.***

Conflicts of interest are created when one of our employees is trading in the same security as a Client. Client transactions will always take precedence over any Firm or employees' transactions. Our employees are permitted to participate in aggregated trade orders with our Clients when all parties receive the same average price.

We primarily recommend mutual funds and ETFs for our Clients. Unaffiliated open-end mutual funds are not considered reportable securities under Rule 204A-1 since they are not market-traded securities. ETFs are market-traded securities and could present an opportunity for improper trading, therefore our employees' personal trading activity in ETFs is subject to pre-clearance by our Chief Compliance Officer in an effort to prevent and detect improper activity.

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**Item 12. Brokerage Practices**

***A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.***

As previously noted, we participate in the institutional services program offered to independent investment advisers by Pershing Advisor Solutions LLC, an investment advisor platform in which we participate ("Pershing" or "Platform Provider"). Transactions are conducted by its affiliated clearing broker, Pershing LLC (an affiliate of the Bank of New York Mellon). Clients in need of brokerage and custodial services will have Pershing recommended to them. Not all advisers make such broker-dealer recommendations. As part of the Platform Provider program, we receive benefits that we would not receive if we did not offer investment advice, such as access to their services.

At the time of executing your IMA with us, you must choose to enter into a custodial arrangement with either:

- Pershing Advisor Solutions LLC, the Platform Provider where we receive custodial services for our Client accounts along with access to investment research; or,
- Another custodian you have selected and identified in your IMA (a “directed custodian”).

Clients are free to select a broker-dealer custodian of their choice when we manage portfolios and investment assets. We reserve the right to decline any client account that directs the use of a broker dealer custodian other than Pershing if we believe that the broker dealer would adversely affect our fiduciary duty to the client and/or ability to effectively service the client portfolio. With either choice above, you will incur other fees and expenses in connection with our management of your account.

Transactions in Client accounts executed through Pershing are charged customary commissions, mark-ups or other similar fees in connection with trading activity. These fees are paid by you, the Client, in addition to our Management Fee.

Transactions executed away from Pershing will be executed through third-party broker-dealers who also charge commissions, mark-ups or other similar fees in connection with their trading activity. Accounts with a directed broker-dealer custodian may or may not pay higher commissions and mark-ups on transactions. We are in no position to negotiate commission rates or other transaction related charges for directed accounts. Clients are encouraged to check with their selected custodian regarding commission rates and mark-ups charged to accounts, which will be incurred in addition to our Management Fee.

All trading orders received by our Platform Provider from our Firm are routed to Pershing LLC for execution. Pershing has a best execution steering committee which oversees their commitment to achieving best execution for their clients, such as our Firm, and they have a customer execution quality department which provides analytical data to their committee. Pershing regularly reviews, among other things, speed of execution, counterparty risk, cost of access, technology, customer service and a variety of metrics/reports regarding client trade order flows. Pershing provides our Firm with periodic reports regarding our Client trade orders and we conduct our own periodic, independent analysis of trade executions for our Clients (such as random sample reviews) in an effort to ensure our Clients are receiving favorable trade order executions.

**1. Research and Other Soft Dollar Benefits.**

We do not use soft dollars or have any other commission sharing agreements.

**2. Brokerage for Client Referrals.**

We do not and have not received any referrals from a broker-dealer and this factor is not a part of the consideration in selecting or recommending broker-dealers to our Clients.

**3. Directed Brokerage.**

- a) See item 12.A. above regarding our selection of broker-dealers for Client accounts.

**b) Client-Directed Brokerage.** Upon request, Clients may select a custodial broker other than our Platform Provider. Upon such request, we will determine if our fiduciary duties or best execution will be compromised and we reserve the right to deny such client requests. If applicable, when Clients designate our Firm to use specific brokers or dealers through which transactions are to be effected, orders for such directed brokerage Clients will be placed after orders for Clients that leave the selection of brokers to our discretion. For these accounts, it may not be possible for us to obtain lower commission rates which might be attainable if we had full discretion in the selection of the executing firm. Clients directing brokerage may also incur other transaction costs or greater spreads or receive less favorable net prices on transactions for their accounts than might otherwise be the case.

### ***B. Order Aggregation.***

As a fiduciary, we must allocate investment opportunities among our Clients in a fair and equitable manner. None of our Clients will be given investment priority over any other Client. However, as noted above, each Client may have separate investment objectives and investment restrictions which we will be required to follow; as a result, certain investment opportunities may be appropriate for certain Clients and not appropriate for other Clients.

We may combine orders (known as “bunching” or “blocking” trades) for more than one Client account where blocking the trades appears to be potentially advantageous for each participating Client account (e.g., for the purpose of reducing brokerage commissions or obtaining a more favorable transaction price). Bunched trades will be recorded at an average price and allocated pro-rata to the Client account. In some instances, average pricing may result in higher or lower prices than a single account may otherwise obtain.

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## **Item 13. Review of Accounts**

### ***A. Frequency and Nature of Review.***

The Investment Adviser Representative typically reviews Client accounts on an ongoing basis as needed and meets formally with Clients at least annually to review accounts in person.

The timing and nature of account reviews are dictated by a variety of factors, including contributions or withdrawals of cash from a Client account, a substantial change in the market value of assets under management, a Client’s request for information regarding the performance or structure of an account, and changes necessary to rebalance the portfolio to maintain client objectives and desired asset mix. Additionally, whenever transactions occur in a Client account, the account is generally reviewed the following day by the investment adviser representative on the account.



## ***B. Other Periodic Reviews***

See response to 13.A. above.

## ***C. Content and Frequency of Regular Account Reports.***

Quarterly statements showing all transactions, money movements and security positions are provided directly to Clients by the custodian (typically Pershing). Pershing will send statements in electronic format to Clients who have authorized electronic delivery.

In addition, upon request we provide Clients with monthly and/or quarterly account reports, typically in electronic format as authorized by the Client.

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

### ***A. Economic Benefits Received from Non-Clients for Providing Services to Clients.***

We do not accept or receive any benefits (cash or non-cash) other than our advisory fee in relation to our investment advisory business.

### ***B. Compensation to Non-Supervised Persons for Client Referrals.***

We do not directly or indirectly compensate anyone or any entity for client referrals.

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## **Item 15. Custody**

We are deemed to have custody of client funds and securities solely due to the ability to deduct our advisory fees from client accounts upon client authorization. We may also deduct tax preparation fees directly from client accounts that use our tax advisory service. Tax fees and advisory fees are listed separately on client statements. All client funds and securities are held at independent qualified custodians, Pershing and Jefferson National Life Insurance Company (JNL). JNL is the issuer of the annuity products we manage for our clients.

As noted in item 13 above, Client account statements are prepared independently and directly forwarded by the custodian (typically Pershing or JNL) to each Client on at least a quarterly basis.

We strongly recommend that our Clients compare quarterly account statements from their custodian with any reports sent by us.

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## **Item 16. Investment Discretion**

As a Client, you may impose restrictions on investing in certain securities.

We have discretionary authority over Client accounts for the purchase and sale of securities, which includes the investment selection, timing, amount, and priority of implementation. Discretionary authority is granted to us in the IMA signed by our Clients including any specific restrictions on this authority. An executed copy of the IMA must be obtained before trading in a Client's account shall commence.

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**Item 17. Voting Client Securities**

We do not vote proxies or exercise voting rights for our Client investments and we do not act on behalf of our Clients in any legal proceedings, including bankruptcies or class actions involving securities held or previously held in Client accounts. It is our Client's responsibility to vote proxies for securities, exercise voting rights, and take any legal action pertaining to investments in their account.

Ordinarily, our Client's custodian (typically Pershing) will forward proxies or other communications about investments in our Client accounts directly to our Client. We direct our Clients to contact their custodian if they have any questions about proxy voting, including if they do not receive proxies or other mailings about the investments in their accounts; however, upon request from a Client we may from time to time provide general information related to a proxy vote, such as helping Clients understand the language of the proxy questions or discussing possible effects of various votes but not recommending a vote for or against any particular item.

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**Item 18. Financial Information**

- A.* We do not bill our Clients \$1,200 and more than six (6) months in advance; therefore we do not need to provide our clients with a balance sheet.
- B.* We do not believe there is any existing financial condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.
- C.* We have not been subject to a bankruptcy petition at any time.