

***LaFleur & Godfrey LLC***  
INVESTMENT COUNSEL

## **Firm Brochure**

(Part 2A of Form ADV)

**March 27, 2014**

**LaFleur & Godfrey LLC**  
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This brochure provides information about the qualifications and business practices of LaFleur & Godfrey LLC. If you have any questions about the contents of this brochure, please contact us at: (616) 942-1580, or by email at: [danvt@lafleurgodfrey.com](mailto:danvt@lafleurgodfrey.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about LaFleur & Godfrey LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for LaFleur & Godfrey is 168831. The SEC's web site also provides information about any persons affiliated with LaFleur & Godfrey who are registered, or are required to be registered, as investment adviser representatives.

## Item 2 - Material Changes

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This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The last update of our Brochure was August 29, 2013. We have no material changes to report in our current Brochure.

(Brochure Date: March 27, 2014)

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The most recent Material Changes dated August 29, 2013 were:

This is the initial filing of the Form ADV Part 2A ("Brochure") by LaFleur & Godfrey LLC ("LaFleur").

LaFleur & Godfrey LLC (CRD #168831) is succeeding to the advisory business of its predecessor LaFleur & Godfrey, Inc. (SEC # 801-29108), and will do business under the name LaFleur & Godfrey LLC. The advisory services and management of LaFleur & Godfrey LLC remain the same; however, the new successor application reflects new ownership by Focus Operating, LLC. LaFleur & Godfrey LLC is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus Financial Partners, LLC, a Delaware limited liability company ("Focus"), [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com). The management team of LaFleur & Godfrey LLC (owners/principals as identified on Schedule A) are also the principals of Charlevoix Management LG LLC ("CMLG").

("CMLG."), which provides management, supervision, oversight and operational support services to LaFleur & Godfrey LLC, pursuant to a Management Agreement between Focus and LaFleur & Godfrey LLC. The primary management team of LaFleur & Godfrey LLC and CMLG includes Richard Godfrey, Co-President & Secretary and Daniel VanTimmeren, Co-President, Chief Compliance Officer and Chief Financial Officer. LaFleur & Godfrey LLC in virtually all respects is continuing the advisory business of the prior adviser.

This Brochure, which reflects those changes, is materially different from the predecessor adviser's last annual updating brochure, March 28, 2013. Additional information about LaFleur & Godfrey LLC's advisory services or Focus is described in Item 4 and Item 10 of this brochure.

(Brochure Date: August 29, 2013)

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(Date of Most Recent Annual Updating Amendment: March 27, 2014)

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**Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, at no charge, please contact us by telephone at: (616) 942-1580 or by email at: [danvt@lafleurgodfrey.com](mailto:danvt@lafleurgodfrey.com).

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## Item 4 - Advisory Business

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### Firm Description

LaFleur & Godfrey LLC ("LaFleur & Godfrey") is an SEC-registered investment adviser formed as a limited liability company on August 1, 2013 in the State of Delaware, as successor to the business of LaFleur & Godfrey, Inc. ("LaFleur & Godfrey"), which registered with the SEC in 2001.

LaFleur & Godfrey is part of the Focus Financial Partners, LLC ("Focus") network. LaFleur & Godfrey is owned by Focus Operating LLC, which is owned by Focus Financial Partners, LLC.

LaFleur & Godfrey LLC is managed by Richard Godfrey and Daniel VanTimmeren through a Management Agreement between LaFleur & Godfrey LLC and Focus Operating LLC.

LaFleur & Godfrey provides personalized, confidential investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

LaFleur & Godfrey is strictly a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, LaFleur & Godfrey occasionally advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, and LaFleur & Godfrey can determine, without client approval, which securities and amount to buy and sell, which broker or dealer to use and the commission rate paid, unless the client directs in writing the use of a specific broker-dealer. LaFleur & Godfrey does not act as a custodian of client assets. The client always maintains asset control. LaFleur & Godfrey places trades for clients under a limited power of attorney.

**Periodic reviews are also communicated to provide reminders of the specific courses of action that should be taken. More frequent reviews occur but are not necessarily communicated to the client.**

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management may be beneficial to the client.

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**Types of Advisory Services**

LaFleur & Godfrey provides investment supervisory services, also known as investment management services.

As of December 31, 2013, LaFleur & Godfrey manages approximately \$396 million in assets for approximately 454 clients. Virtually all assets are managed on a discretionary basis.

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**Tailored Relationships**

Investment policy statements are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Investment Management Agreement**

Most clients choose to have LaFleur & Godfrey manage their assets in order to obtain ongoing in-depth advice and investment selection. All aspects of the client's financial affairs are reviewed, including those of their children.

Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship. An Investment Management Agreement includes: cash flow management and investment management (including performance reporting). Other areas discussed as they relate to the management of assets include education planning, retirement planning and estate planning.



The annual Investment Management Agreement fee is billed quarterly in arrears and is based on a percentage of the investable assets and calculated as a percentage of the average fair market value at each month-end within the calendar quarter according to the following schedule:

0.85% on the first \$1,000,000;  
0.60% on the next \$4,000,000 (from 1,000,001 to 5,000,000); and  
0.35% on the assets above \$5,000,000.

Fees are negotiable under certain circumstances such as size, service levels required, charitable organizations, and special projects. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion.

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### **Asset Management**

Assets are invested primarily in individual stocks and bonds and held at a qualified custodian. Transactions in a security (i.e., purchases or sales) are executed through a brokerage account. The brokerage firm charges a fee for stock and bond trades. Certain programs may not charge a separate brokerage commission or custodial fee. LaFleur & Godfrey does not receive any direct compensation from these brokerage firms. (See also Item 12 in this brochure.)

Investments may include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds shares), Exchange Traded Funds, U. S. Treasury and government agency (GSE) securities, options contracts, and interests in partnerships traded on an exchange.

Initial public offerings (IPOs) are not available through LaFleur & Godfrey.

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### **Termination of Agreement**

The client or the investment manager may terminate an Agreement by written notice to the other party as set forth in the Investment Management Agreement. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The standard fee calculation applies, adjusted for the number of days during the billing quarter prior to termination.

## Item 5 - Fees and Compensation

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### Description

LaFleur & Godfrey bases its fees on a percentage of assets under management.

Fees are negotiable.

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### Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Advisory fees may be directly debited from the custodian account with the client's written consent. For related accounts (other than ERISA accounts) fees may be deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

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### Other Fees

Custodians may charge a fee for holding client assets as well as fees related to certain transactions and activities.

LaFleur & Godfrey, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### Expense Ratios

Mutual funds and Exchange Traded Funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to LaFleur & Godfrey.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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

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### Sharing of Capital Gains

LaFleur & Godfrey's advisory fees are not based on a share of the capital gains or capital appreciation of managed securities. LaFleur & Godfrey does not have any side by side management accounts.

LaFleur & Godfrey does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Item 7 - Types of Clients**

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### **Description**

LaFleur & Godfrey generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities, or endowments, foundations, or family limited partnerships.

Client relationships vary in scope and length of service.

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

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### **Methods of Analysis**

Security analysis is primarily done using fundamental analysis.

Fundamental analysis looks at all aspects of a business, including management, products and/or services, and financials in deciding whether to invest in the security.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, and the World Wide Web.

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### **Investment Strategies**

The investment strategy used on client accounts may include long-term purchases, short-term purchases, and option writing (including covered options, uncovered options or spreading strategies).

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

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks based on the type of investments we use in managing client accounts:

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

## **Item 9 - Disciplinary Information**

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### **Legal and Disciplinary**

Registered investment advisers are required to disclose all material facts regarding a legal or disciplinary event that would be material to a prospective or existing client's evaluation of LaFleur & Godfrey or the integrity of LaFleur & Godfrey's management.

While we believe the particular facts and circumstances evidence their non-materiality and inapplicability to such evaluation of us and our management, the Firm and Mr. Godfrey were subject to an arbitration award which we have satisfied in full. The arbitration award did not allege violation of any securities statute or regulation. If you would like more information about this event, we would be happy to further discuss this with you; please call our offices at (616) 942-1580.

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

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### **Financial Industry Activities**

LaFleur & Godfrey has no other financial industry activities.

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### **Affiliations**

FOCUS OPERATING, LLC and FOCUS FINANCIAL PARTNERS, LLC

The Registrant is part of the Focus Financial Partners, LLC ("Focus") network. As such, LaFleur & Godfrey is a wholly-owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the Focus Partners). The Focus Partners provide wealth management, benefit and investment consulting services, serving individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADV Schedule Ds.

LaFleur & Godfrey's clients are not solicited to invest in any other Focus Partners' advisory services, and generally Focus Partners do not recommend securities, services, or other investment products of other Focus Partner Firms, unless so disclosed on their respective Form ADVs and with the clients' informed consent, nor are any transactions executed through another Focus Partner's affiliated broker dealer. Further, the Focus Partners do not market their services or share client information amongst each other without prior client consent. Management of other Focus Partners are not involved in the management of LaFleur & Godfrey.

A list of the related person investment advisers and broker dealers can be found on LaFleur & Godfrey's Form ADV Part 1, Schedule D and additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

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

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### **Code of Ethics**

The employees of LaFleur & Godfrey have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The

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

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**Participation or Interest in Client Transactions**

Subject to the firm's Code of Ethics, LaFleur & Godfrey and its employees may buy or sell securities that are also held by clients. LaFleur & Godfrey's policy requires that employees may not trade their own securities ahead of client trades. Employees acknowledge annually that they comply with the provisions of the LaFleur & Godfrey *Compliance Manual*.

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**Personal Trading**

The Chief Compliance Officer (CCO) of LaFleur & Godfrey is Dan Van Timmeren, Co-President & Chief Financial Officer. He reviews all employee trades each quarter. His trades are reviewed by Richard Godfrey, Co-President and Secretary. The personal trading reviews ensure that the personal trading of employees does not affect the markets, that personal trading of employees comply with the firm's Code of Ethics, and that clients of the firm receive preferential treatment. Employees of LaFleur & Godfrey must get pre-approval from the firm's CCO before an investment in any IPO, limited private offering, or any stock on the LaFleur & Godfrey Recommended, Hold/Watch, or Monitor lists. Employees must disclose the security and the dollar amount of the proposed purchase or sale. Since most employee trades are small, the trades do not affect the securities markets. As an added safeguard, LaFleur & Godfrey's Code of Ethics policy states that employees' personal trades in any IPO, limited private offering, or any stock on the LaFleur & Godfrey Recommended, Hold/Watch, or Monitor lists may not occur on the same trading day as that security is being traded in client accounts without prior approval.

## **Item 12 - Brokerage Practices**

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**Selecting Brokerage Firms**

LaFleur & Godfrey does not have any affiliation with product sales firms (insurance or brokerage products). Specific qualified custodian recommendations can be made to clients based on their need for such services. LaFleur & Godfrey recommends custodians based on the proven integrity and financial responsibility of the firm.

Brokerage Practices for Accounts Custodied with a Bank or Trust Company:

For client accounts that are custodied with a bank or trust company, LaFleur & Godfrey has full discretion as to which broker dealer to execute brokerage transactions. For these bank or trust custodied accounts, LaFleur & Godfrey executes the transactions with four research broker dealers; trades are negotiated at 5 cents/share. Clients should understand that their commission dollars are used toward research that will likely benefit their

portfolio, but also benefits other client portfolios. In order to obtain investment research and analysis furnished by these “research” brokerage firms, clients may pay a brokerage commission which is higher than commissions generally available in recognition of the value of services provided to LaFleur & Godfrey by the brokerage firm. Services obtained for one client may also benefit other clients.

LaFleur & Godfrey considers various factors in the selection of a broker, including research capabilities, research recommendations, ability to execute trades, depth of services provided, processing capabilities, financial stability and responsibility, reputation, commission rate, responsiveness to LaFleur & Godfrey and the value of brokerage and research services (collectively “Brokerage and Research Services”) provided by such brokers.

Brokerage and Research Services provided by brokers may include, among other things: proprietary research from broker-dealers, (written or oral); research concerning market, economic and financial data, statistical information, data on pricing and availability of securities, certain financial publications, analysis concerning specific securities, companies or sectors and market, economic and financial studies and forecasts. Research includes written company and industry reports and economic reports. It also includes conference calls with analysts and corporate managements, and invitations to single and multi-day investment conferences, which feature presentations by managements of companies in which LaFleur & Godfrey has investments on behalf of its clients, or prospective interest in investment.

Research and execution-related services provided by brokers may be proprietary products and services of the brokers. When LaFleur & Godfrey uses client brokerage commissions to obtain research and other permitted products and services, LaFleur & Godfrey receives a benefit in that LaFleur & Godfrey does not therefore have to produce or pay for the research, products or services. As a result of receiving research or other permissible products and services from brokers, LaFleur & Godfrey may have an incentive to select or recommend a broker dealer based on LaFleur & Godfrey’s interest in receiving the research, rather than on LaFleur & Godfrey’s clients’ interest in receiving most favorable execution.

Research and other services assist LaFleur & Godfrey in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, and pricing information and other market data. Many of these services generally may be used to service all or a substantial number of LaFleur & Godfrey's accounts. These services may include consulting, research publications and single and multi-day investment conferences, which feature presentations by managements of companies in which LaFleur & Godfrey has investments on behalf of its clients. The conferences include topics relating to practice management, information technology, business succession, regulatory

compliance, and marketing. LaFleur & Godfrey does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, LaFleur & Godfrey endeavors to act in its clients' best interests, LaFleur & Godfrey's execution at research broker dealers may be based in part on the benefit to LaFleur & Godfrey of the availability of some of the foregoing services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers. This may create a potential conflict of interest.

#### Aggregation and Allocation

When it is appropriate, LaFleur & Godfrey may aggregate or "block" client orders to achieve more efficient execution. LaFleur & Godfrey attempts to group its stock trades in blocks where possible. In such instances, each client account participating in the aggregate transaction will be charged the average price per unit for the security.

#### Directed Brokerage

Certain clients may instruct LaFleur & Godfrey to direct brokerage commissions to particular brokers selected by the client. These clients' accounts are referred to as "Directed Brokerage Accounts." In such circumstances, the client is responsible for negotiating commission rates with their respective broker and therefore may pay a higher or lower commission than the lowest commission negotiated by LaFleur & Godfrey. A client that directs LaFleur & Godfrey to use a particular broker should be aware that LaFleur & Godfrey may not be able to obtain best execution for their transactions and may receive less favorable prices and pay a higher commission rate for executing these transactions. Ultimately, Directed Brokerage Accounts may cost clients more money. Because client-directed trades cannot be aggregated with other trades, client directed brokerage accounts will generally trade separately and after other clients and may lose the possible advantages described.

#### Private Advisor Network Program

Certain LaFleur & Godfrey clients participate in a Private Advisor Network program. Transactions for client accounts participating in this program are arranged only through the sponsoring broker-dealer and there are no commission charges, custodial and other transaction fees. Should LaFleur & Godfrey arrange transactions in these client accounts through other broker-dealers than the sponsor, clients would generally be subject to additional commission charges or step-out fees in addition to the fee charged for participating in the program.

LaFleur & Godfrey's advisory fees are directly debited from the client's custodial account, pursuant to the client agreement.



#### Other Non-Discretionary Brokerage Services:

LaFleur & Godfrey may participate in the Schwab Advisor Services (SAS) program offered to independent investment advisors by Charles Schwab & Company, Inc. Schwab is a FINRA-registered broker dealer.

The Schwab brokerage program will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. As part of these programs, LaFleur & Godfrey receives benefits as described below. (See also the disclosure under Item 14 of this Brochure).

As LaFleur & Godfrey will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, clients must direct LaFleur & Godfrey as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that LaFleur & Godfrey will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require clients to direct the use of specific brokers.

LaFleur & Godfrey does not have any arrangements to compensate any broker dealer for client referrals.

When trading client accounts, errors may periodically occur. LaFleur & Godfrey does not maintain any client trade error gains. LaFleur & Godfrey makes a client whole with respect to any trade error losses incurred by client and caused by LaFleur & Godfrey.

The Schwab program provides LaFleur & Godfrey with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit LaFleur & Godfrey but may not benefit all client accounts. Many of the products and services assist LaFleur & Godfrey in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of LaFleur & Godfrey's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of LaFleur & Godfrey's accounts. Recommended brokers also make available to LaFleur & Godfrey other services intended to help LaFleur & Godfrey manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. LaFleur & Godfrey does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or

products from brokers. While as a fiduciary, LaFleur & Godfrey endeavors to act in its clients' best interests, LaFleur & Godfrey's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to LaFleur & Godfrey of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

LaFleur & Godfrey does not receive fees or commissions from any of these arrangements.

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**Best Execution**

LaFleur & Godfrey reviews the execution of trades at each brokerage selection and well as the service quality of each custodian every quarter. The review is documented in the LaFleur & Godfrey *Compliance File*. Trading fees charged by the brokers are also reviewed on a quarterly basis. The amount of commission dollars allocated among brokers should reflect the value of their research services. This research includes written company and industry reports and economic reports. It also includes conference calls with analysts and corporate managements, and invitations to single and multi-day investment conferences, which feature presentations by managements of companies in which LaFleur & Godfrey has investments on behalf of its clients, or prospective interest in investment.

LaFleur & Godfrey does not receive any portion of the trading fees.

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**Soft Dollars**

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor to money managers who use the commission dollars of their advised accounts to obtain research and brokerage services (so called "soft dollars"). LaFleur & Godfrey uses investment research and services obtained in accordance with Section 28(e). LaFleur & Godfrey does not use "soft dollars" (commissions) to pay for non-research services such as media subscriptions, computer equipment, or software even if those services qualify as an aid to making investment decisions. LaFleur & Godfrey uses its own funds to pay suppliers of those products and services.

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**Order Aggregation**

LaFleur & Godfrey will, where possible, aggregate purchase and sale transactions in the same security for multiple clients. When transactions are aggregated, the trade execution prices will be averaged among the participating clients. When transactions are partially aggregated by a broker-dealer or client custodian, or are unable to be aggregated (such as when clients direct LaFleur & Godfrey to use a particular broker-dealer), LaFleur & Godfrey tries to select randomly the order in which accounts are traded in

order to treat all clients impartially and to avoid favoritism to any group of accounts to the extent possible or appropriate.

## **Item 13 - Review of Accounts**

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### **Periodic Reviews**

Account reviews are performed weekly for changes in cash balances resulting from deposits, withdrawals, and bond maturities and at least quarterly for strategy review and asset allocation rebalancing. Reviews are done by the firm principals as well as assistant portfolio manager as supervised by the principals. Account reviews are performed more frequently when market conditions dictate.

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### **Review Triggers**

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

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### **Regular Reports**

Firm principals, who have responsibility for specific client relationships, perform account reviews. They review each account for asset allocation versus targets, fixed income strategy and individual stock selections and diversification and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive transaction and valuation reports at least quarterly from their account custodian. LaFleur & Godfrey produces, at a minimum annually and more likely quarterly, a comprehensive report that includes a statement of investment objectives, a review of strategy, a summary of security transactions, a schedule of realized gains and losses, performance results and comparisons, and an economic and market outlook commentary. This report is usually presented by the responsible principal in a face-to-face meeting with the client. If a personal meeting cannot be arranged, the report will be mailed to the client.

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

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### **Incoming Referrals**

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

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**Referrals Out**

LaFleur & Godfrey does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Indirect Compensation

See the Brokerage Practices section, Item 12.

## **Item 15 - Custody**

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**Account Statements**

All assets are held at qualified custodians, and the custodians provide account statements directly to clients at their address of record at least quarterly.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the review report statements provided by LaFleur & Godfrey.

## **Item 16 - Investment Discretion**

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**Discretionary Authority for Trading**

LaFleur & Godfrey has discretionary authority to manage securities accounts on behalf of clients. LaFleur & Godfrey has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, the client may prohibit investment in certain companies or industries for moral, ethical, or religious reasons. The client may also limit any single asset to a maximum percent of the total portfolio market value.

LaFleur & Godfrey generally directs trades to be executed where the accounts are custodied. For bank and trust company accounts, LaFleur & Godfrey has discretion to execute trades with any broker dealer, and generally utilizes one of four research brokerage firms as described previously. The client may direct that trades be executed exclusively through a specific broker-dealer with whom they have negotiated commission rates. The client is made aware they may be giving up savings on execution costs that LaFleur & Godfrey may obtain through combined orders and other volume discounts. The client will provide LaFleur & Godfrey a signed letter designating the broker and the negotiated commission rates. Even so, LaFleur & Godfrey will require some discount from published commission rates.

Discretionary trading authority facilitates placing trades in client accounts on their behalf so that we may promptly implement the investment strategy.

## Item 17 - Voting Client Securities

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### **Proxy Votes**

LaFleur & Godfrey has adopted a proxy voting policy reasonably designed to ensure that the firm votes proxies in the best interest of clients. LaFleur & Godfrey LLC's principals constitute the Proxy Committee and must agree on a voting position with respect to proposals which are not covered by the firm's proxy voting guidelines. The guidelines address five general categories: Corporate Governance; Takeover Defense; Compensation Plans (generally against plans which are dilutive and overly generous) Capital Structure; Classes of Stock and Recapitalization; and Social Responsibility (the Firm opposes most of these proposals; however, each is evaluated carefully whether favored or opposed by management.)

In the event of a vote involving a conflict of interest that does not meet the specific voting parameters of LaFleur & Godfrey's proxy voting guidelines or requires additional company-specific decision-making, LaFleur & Godfrey may request an independent third party review.

Clients may call, write, or email us to request a copy of LaFleur & Godfrey's complete proxy voting policy, voting records of how securities have been voted in their particular account, or to discuss questions they may have about their proxies. Our contact information is on the cover page of this brochure.

## Item 18 - Financial Information

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### **Financial Condition**

LaFleur & Godfrey does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because LaFleur & Godfrey does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.