

# Financial Decisions, Inc.

SEC File Number: 801 – 39858

## **ADV Part 2A, Firm Brochure**

**Dated: February 23, 2015**

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**This Brochure provides information about the qualifications and business practices of Financial Decisions, Inc. If you have any questions about the contents of this Brochure, please contact us at (212) 920-3470 or [linda@findec.net](mailto:linda@findec.net). 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 Financial Decisions, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to as Financial Decisions, Inc. a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to this ADV Part 2A, Firm Brochure since the previous Annual Amendment filing on March 27, 2014.

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#### **Item 4            Advisory Business**

- A. Financial Decisions, Inc. (“Financial Decisions”) is a corporation formed on September 10, 1991 in the State of New York. Financial Decisions became registered as an Investment Adviser Firm in September 1991. Financial Decisions is principally owned by Linda Schoenthaler, who is Financial Decisions’ President.
- B. As discussed below, Financial Decisions offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, corporations, business entities, and charitable organizations, etc.) investment advisory and/or management services on a discretionary and/or non-discretionary basis and, to the extent specifically requested by a client, financial planning and related consulting services.

#### **INVESTMENT ADVISORY SERVICES**

The client can engage Financial Decisions to provide discretionary and/or non/discretionary investment advisory and implementation services on a *fee* basis. Prior to engaging Financial Decisions to provide those services, clients are required to enter into an *Investment Advisory Agreement* with Financial Decisions setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. Thereafter, Financial Decisions will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, Financial Decisions provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, Financial Decisions *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging Financial Decisions to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Financial Decisions setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Financial Decisions commencing services. If requested by the client, Financial Decisions may recommend the services of other professionals for implementation purposes, including Financial Decisions’ representatives in their individual capacities as registered representatives of Honor, Townsend & Kent, Inc., an SEC and FINRA registered broker-dealer (“HTK”); and as licensed insurance agents (*see* disclosures at Item 10C). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Financial Decisions.

**Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify Financial Decisions if there is ever any change in his/her/its financial situation or investment objectives for the purpose of

reviewing/evaluating/revising Financial Decisions' previous recommendations and/or services.

## **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent specifically requested by the client, Financial Decisions *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Financial Decisions, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of Financial Decisions' services should be construed as same. To the extent requested by a client, Financial Decisions may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of Financial Decisions in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Financial Decisions. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Financial Decisions if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Financial Decisions' previous recommendations and/or services.

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage Financial Decisions on a non-discretionary investment advisory basis **must be willing to accept** that Financial Decisions cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, Financial Decisions will be unable to effect any account transactions (as it would for its discretionary clients) **without first obtaining the client's verbal consent.**

**Independent Managers.** Financial Decisions may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager(s)* shall have day-to-day responsibility for the active discretionary management of the allocated assets. Financial Decisions shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Financial Decisions shall consider in recommending *Independent Manager(s)* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

**Client Obligations.** In performing its services, Financial Decisions shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Financial Decisions if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Financial Decisions' previous recommendations and/or services.

**Disclosure Statement.** A copy of Financial Decisions' written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

**Retirement Plan Rollovers-No Obligation/Conflict of Interest:** A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in his/her former employer's plan, if permitted, (ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an IRA, or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Financial Decisions may recommend an investor roll over plan assets to an Individual Retirement Account ("IRA") managed by Financial Decisions. As a result Financial Decisions and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his/her former employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Financial Decisions (unless clients engage Financial Decisions to monitor and/or manage the account while maintained at his/her employer). Financial Decisions has an economic incentive to encourage an investor to roll plan assets into an IRA that Financial Decisions will manage or to engage Financial Decisions to monitor and/or manage the account while maintained at the client's employer. There are various factors that Financial Decisions may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus Financial Decisions', (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. **No client is under any obligation to rollover plan assets to an IRA managed by Financial Decisions or to engage Financial Decisions to monitor and/or manage the account while maintained at the client's employer. Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

**Use of Mutual Funds.** Most mutual funds are available directly to the public. Thus, a client or prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Financial Decisions independent of engaging Financial Decisions as an investment advisor. However, if a client or prospective client determines to do so, he/she/it will not receive the benefit of Financial Decisions' initial and ongoing investment advisory services.

- C. Financial Decisions shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Financial Decisions shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Financial Decisions' services.

- D. Financial Decisions does not offer a wrap fee program for its investment advisory services. However, Financial Decisions is a participating investment adviser in certain unaffiliated wrap fee programs sponsored by *HTK*. Clients who choose to participate in such programs pay their fees directly *HTK* who, in turn, remits a portion of those fees to Financial Decisions. The advisory fees remitted to Financial Decisions are based upon an annual percentage of assets under management, are calculated by *HTK*, and disclosed to the client prior to engaging in the program.

**Please Note (Wrap/Managed Account programs):** In the event that Financial Decisions is engaged to provide investment management services as part of an unaffiliated wrap-fee program, Financial Decisions will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that Financial Decisions is engaged to provide investment management services as part of an unaffiliated managed account program, Financial Decisions will likewise be unable to negotiate commissions and/or transaction costs. If the program is offered on a non-wrap basis, the program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts.

- E. As of December 31, 2014, Financial Decisions had \$251,349,071 in assets under management on a discretionary basis and \$1,452,566 in assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage Financial Decisions to provide discretionary and/or non-discretionary investment advisory services on a negotiable *fee* basis.

### **INVESTMENT ADVISORY SERVICES**

In the event the client determines to implement investment recommendations through Financial Decisions on a negotiable *fee* basis, Financial Decisions shall charge an annual investment management fee based upon: (1) a percentage of the market value of the assets being managed by Financial Decisions; (2) a disclosed hourly rate; or (3) an agreed upon fixed fee. For those clients that engage Financial Decisions to provide investment supervisory services based upon a percentage of the market value of the assets under management, the investment management fee charged shall generally be one percent (1.00%) of the market value of the assets under management. However, Financial Decisions in its sole discretion may charge a lesser management fee based upon certain criteria (i.e., pre-existing investment management client, existing financial planning client, anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, negotiations with client, etc.).

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, Financial Decisions *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Financial Decisions' planning and consulting fees are

negotiable, but generally range from \$17,500.00 to \$50,000.00 on a minimum fixed fee basis, and from \$125.00 to \$725.00 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Financial Decisions to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Financial Decisions setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Financial Decisions commencing services.

- B. Clients may elect to have Financial Decisions' advisory fees deducted from their custodial account. Both Financial Decisions' *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Financial Decisions' investment advisory fee and to directly remit that management fee to Financial Decisions in compliance with regulatory procedures. In the limited event that Financial Decisions bills the client directly, payment is due upon receipt of Financial Decisions' invoice. Financial Decisions shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Financial Decisions shall generally recommend that Raymond James Investments Charles Schwab & Co, Inc. ("*Schwab*") or Fidelity Investments ("*Fidelity*"). *Schwab* and/or *Fidelity* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* and/or *Fidelity* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Financial Decisions' investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Client accounts may be subject to early mutual fund redemption fees if certain mutual funds are not held in a portfolio for the minimal required amount of time after purchase. When beneficial to client, individual debt or equity transactions may be effected through broker-dealers with whom Financial Decisions or the client have entered into arrangements for prime brokerage clearing services (in which event, the client shall incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the custodian, *Schwab* and/or *Fidelity*). In addition, the investment management fees charged by the designated *Independent Manager(s)*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets are, exclusive of, and in addition to, Financial Decisions' ongoing investment advisory fee. Client accounts that are managed by Independent Managers have the option to pay an asset-based fee in lieu of transaction-based commissions to *Schwab* and/or *Fidelity* for security transactions.
- D. Financial Decisions' annual investment advisory fee shall be prorated and paid quarterly, in advance, (except for certain employer-sponsored retirement plans which may be paid in arrears. The *Investment Advisory Agreement* between Financial Decisions and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Financial Decisions shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

E. **Securities Commission Transactions.** In the event that the client desires, the client can engage Financial Decisions' representatives, in their individual capacities, as registered representatives of *HTK*, to implement investment recommendations on a commission basis. Although licensed to sell a full range of investment products, the sale of investment products by Financial Decisions' representatives is currently limited to variable annuities and variable life insurance. Prior to effecting any transactions, the client will be required to enter into a new account agreement with *HTK*. In the event the client chooses to purchase investment products through *HTK*, *HTK* will charge brokerage commissions to effect securities transactions, a portion of which commissions *HTK* shall pay to Financial Decisions' representatives, as applicable. The brokerage commissions charged by *HTK* may be higher or lower than those charged by other broker-dealers. In addition, *HTK*, as well as Financial Decisions' Representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from *HTK* presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Financial Decisions' representatives.

**Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

2. **Please Note:** Clients may purchase investment products recommended by Financial Decisions through other, non-affiliated broker dealers or agents.
3. Financial Decisions does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Financial Decisions recommends to its clients.
4. When Financial Decisions' representatives sell an investment product on a commission basis, Financial Decisions does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Financial Decisions' representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). **However,** a client may engage Financial Decisions to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Financial Decisions' representatives on a separate commission basis.



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

Neither Financial Decisions, nor any supervised person of Financial Decisions, accepts performance-based fees.

## **Item 7            Types of Clients**

Financial Decisions' clients shall generally include individuals, high net worth individuals, pension and profit sharing plans, corporations, business entities, and charitable organizations. Financial Decisions will generally require a minimum account size of \$1,000,000.00 for such investment supervisory services. Financial Decisions, in its sole discretion, may charge a lesser investment management fee or reduce or waive its minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). In addition, certain *Independent Manager(s)* may impose varying minimum account values upon Financial Decisions' clients.

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

- A. Financial Decisions may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Financial Decisions may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Margin Transactions (use of borrowed assets to purchase financial instruments)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Financial Decisions) will be profitable or equal any specific performance level(s).

- B. Financial Decisions' methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Financial Decisions must have access to current/new market information. Financial Decisions has no control over the dissemination rate of market information; therefore, unbeknownst to Financial Decisions, certain analyses may be compiled with outdated market information, severely limiting the value of Financial Decisions' analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a

forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Financial Decisions' primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Financial Decisions may also implement and/or recommend the use of margin transactions. Margin investment strategies have a high level of inherent risk. (*See* discussion below).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by Financial Decisions in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Financial Decisions may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential *conflict of interest* whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to Financial Decisions. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

- C. Currently, Financial Decisions primarily allocates client investment assets among individual municipal and corporate bonds, various no-load equity mutual fund classes, and independent money managers, on both a limited discretionary and non-discretionary basis in accordance with the client's designated investment objective(s). With respect to its non-discretionary management services, Financial Decisions maintains ongoing responsibility to select or make recommendations, based upon the needs of the client, as to the specific securities or other investments the account may purchase or sell and Financial Decisions is responsible for arranging or effecting the purchase or sale.

## **Item 9            Disciplinary Information**

Financial Decisions has not been the subject of any disciplinary actions.

## Item 10 Other Financial Industry Activities and Affiliations

- A. **Registered Representative of HTK.** As disclosed above in Item 5.E, certain of Financial Decisions' representatives are also registered representatives of *HTK*, a FINRA member broker-dealer.
- B. Neither Financial Decisions, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Registered Representatives of Broker Dealer.** As disclosed above in Item 5.E, Financial Decisions' representatives are registered representatives of *HTK*, a FINRA member broker-dealer. Clients can choose to engage Financial Decisions' representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agents.** Financial Decisions' representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4 B above, clients can engage certain of Financial Decisions' representatives to purchase insurance products on a commission basis.

**Conflicts of Interest:** The recommendation by Financial Decisions' representatives, that a client purchase a securities or insurance commission product presents a *conflicts of interest*, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any such commission products from Financial Decisions' representatives. Clients are reminded that they may purchase securities or insurance products recommended by Financial Decisions through other, non-affiliated broker-dealers or insurance agents.

**Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- D. Financial Decisions does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Financial Decisions maintains an investment policy relative to personal securities transactions. This investment policy is part of Financial Decisions' overall Code of Ethics, which serves to establish a standard of business conduct for all of Financial Decisions' representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Financial Decisions also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Financial Decisions or any person associated with Financial Decisions.

- B. Neither Financial Decisions nor any related person of Financial Decisions recommends, buys, or sells for client accounts, securities in which Financial Decisions or any related person of Financial Decisions has a material financial interest.
- C. Financial Decisions and/or representatives of Financial Decisions *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Financial Decisions and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Financial Decisions did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Financial Decisions’ clients) and other potentially abusive practices.

Financial Decisions has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Financial Decisions’ “Access Persons.” Financial Decisions’ securities transaction policy requires that an Access Person of Financial Decisions must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Financial Decisions selects; provided, however that at any time that Financial Decisions has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Financial Decisions and/or representatives of Financial Decisions *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Financial Decisions and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Financial Decisions has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Financial Decisions’ Access Persons.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests that Financial Decisions recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Financial Decisions to use a specific broker-dealer/custodian), Financial Decisions generally recommends that investment management accounts be maintained at *Schwab* and/or *Fidelity*. Prior to engaging Financial Decisions to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Financial Decisions setting forth the terms and conditions

under which Financial Decisions shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Financial Decisions considers in recommending *Schwab* and/or *Fidelity* (or any other broker-dealer/custodian to clients) include historical relationship with Financial Decisions, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Financial Decisions' clients shall comply with Financial Decisions' duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Financial Decisions determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Financial Decisions will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Financial Decisions' investment management fee. Financial Decisions' best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Financial Decisions may receive from *Schwab* and/or *Fidelity* (or another broker-dealer/custodian, investment platform, independent investment manager, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Financial Decisions to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Financial Decisions may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Financial Decisions in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Financial Decisions in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Financial Decisions to manage and further develop its business enterprise.

Financial Decisions' clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* and/or *Fidelity* as a result of this arrangement. There is no corresponding commitment made by Financial Decisions to *Schwab* and/or *Fidelity* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

2. Financial Decisions does not receive referrals from broker-dealers.
3. Financial Decisions does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Financial Decisions will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Financial Decisions. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Higher transaction costs adversely impact account performance.

**Please Note:** In the event that the client directs Financial Decisions to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Financial Decisions.

**Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Financial Decisions provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Financial Decisions decides to purchase or sell the same securities for several clients at approximately the same time. Financial Decisions may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Financial Decisions' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Financial Decisions shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

- A. For those clients to whom Financial Decisions provides investment supervisory services, account reviews are conducted on an ongoing basis by Financial Decisions' representatives. All investment supervisory clients are advised that it remains their responsibility to advise Financial Decisions of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Financial Decisions on an annual basis.

- B. Financial Decisions *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Financial Decisions may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, Financial Decisions may receive an indirect economic benefit from *Schwab* and/or *Fidelity*. Financial Decisions, without cost (and/or at a discount), may receive support services and/or products from *Schwab* and/or *Fidelity*.

Financial Decisions' clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* and/or *Fidelity* as a result of this arrangement. There is no corresponding commitment made by Financial Decisions to *Schwab* and/or *Fidelity* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. If a client is introduced to Financial Decisions by either an unaffiliated or an affiliated solicitor, Financial Decisions *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Financial Decisions' investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Financial Decisions by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Financial Decisions' written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Financial Decisions and the solicitor, including the compensation to be received by the solicitor from Financial Decisions.

#### **Item 15      Custody**

Financial Decisions shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Financial Decisions may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Financial Decisions provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Financial Decisions with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Financial Decisions' advisory fee calculation.

#### **Item 16          Investment Discretion**

The client can determine to engage Financial Decisions to provide investment advisory services on a discretionary basis. Prior to Financial Decisions assuming discretionary authority over a client's account, the client shall be required to execute *Investment Advisory Agreement*, naming Financial Decisions as the client's attorney and agent in fact, granting Financial Decisions full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Financial Decisions on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Financial Decisions' discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Financial Decisions' use of margin, etc.).

#### **Item 17          Voting Client Securities**

- A. Financial Decisions does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Financial Decisions to discuss any questions they may have with a particular solicitation.

#### **Item 18          Financial Information**

- A. Financial Decisions does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Financial Decisions is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Financial Decisions has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**