

## **Item 1 – Cover Page**

**Duncan Williams Asset  
Management, LLC**  
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Date of Brochure: February 2015

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This brochure provides information about the qualifications and business practices of Duncan Williams Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (901) 435-4250. 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 Duncan Williams Asset Management, LLC., is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view information on this website by searching for Duncan Williams Asset Management's name or by using the firm's CRD number which is: 174809.

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

## **Item 2 Material Changes**

Duncan Williams Asset Management was recently formed and has just commenced business activities. This brochure dated February 2015 is a new document prepared in connection with Duncan Williams Asset Management's formation and registration as an investment adviser.

In the future, this Item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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

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## **Item 4 – Advisory Business**

### **Ownership**

Duncan Williams Asset Management, LLC (“DWAM” or “Advisor” or “we”) became an investment advisor registered with the SEC in February 2015. We are a Delaware Limited Liability Company headquartered in Memphis, Tennessee. Duncan F. Williams owns a controlling membership interest in DWAM.

### **General Description of Primary Advisory Services**

We offer personalized investment advisory services including financial planning, retirement plan services, institutional client consulting, and asset management services and referrals to third party money managers. The following are brief descriptions of our primary services. A detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

#### ***Financial Planning Services (Plans and Consultations)***

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer advisory services in the form of financial plans and consultations. These services do not involve actively managing your accounts. Instead, comprehensive planning services focus on your overall financial situation. Modular planning services and consultations focus on specific areas of concern to you.

#### ***Retirement Plan Services***

Duncan Williams Asset Management offers retirement plan services to retirement plan sponsors. These services can include, but are not limited to:

- Retirement plan evaluation/search;
- Development /review of investment policy statement;
- Investment due diligence including review and analysis of choices offered by custodian;
- Performance measurement and reporting;
- Fiduciary services;
- Employee education; and
- Fee analysis

#### ***Institutional Client Consulting Services***

Duncan Williams Asset Management also provides investment consulting services to institutional clients.

### ***Asset Management Services***

We offer both discretionary and non-discretionary asset management services providing you with continuous and ongoing supervision over your accounts.

### ***Referrals to Third Party Money Managers***

We offer advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisers. Third-party money managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

### **Advice on Certain Types of Investments**

We offer investment advice to clients on the following types of investments:

- ☐ Exchange-listed securities
- ☐ Securities traded over-the-counter
- ☐ Corporate debt securities (other than commercial paper)
- ☐ Commercial paper
- ☐ Certificates of deposit
- ☐ Municipal securities
- ☐ Variable life insurance
- ☐ Variable annuities
- ☐ Mutual fund shares
- ☐ Exchange Traded Funds
- ☐ Unit Investment Trusts
- ☐ United States government securities
- ☐ Option contracts on securities
- ☐ Interests in partnerships investing in real estate
- ☐ Interests in hedge funds

However, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives. Please also see **Item 5, Fees and Compensation**, for additional information about portfolio holdings in managed accounts.

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

### **Tailor Advisory Services to Individual Needs of Clients**

Our services are always provided based on your specific needs. You have the ability to impose restrictions on your accounts, including specific investment selections and sectors. However, we will not enter into an investment advisory relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

You have sole discretion about whether or not to contract for our services. In addition, you have sole

discretion about whether or not to implement any recommendations made by our representatives. If you do decide to implement recommendations, you are responsible for taking any actions or implementing any transactions required. You are free to select any broker/dealer and/or insurance agent to implement our recommendations.

### **Portfolio Management Program versus Wrap-Fee Program**

We offer services through both traditional portfolio management and wrap-fee management programs. In a traditional portfolio management program, advisory services are provided for a fee but transaction services (fees associated with the purchase and sale of securities for your account) are billed separately on a per-transaction basis. Under our wrap-fee management programs, our advisory services (including portfolio management or advice regarding selecting other advisors) and transaction services are provided for one fee.

For suitability purposes, each investment in each account is reviewed according to investment objectives, risk tolerance and overall net worth. Investments are recommended as part of a holistic wealth management approach to asset allocation for accounts within a wrap-fee program. The essential difference between transactional accounts and those under management in a wrap-fee program is the way in which transaction services are paid.

### **Client Assets Managed by Advisor**

This brochure has been prepared prior to commencing operations and as of this date, we do not have any assets under management. We anticipate having at least \$100 million assets under management within the 120 days of becoming registered as an investment adviser.

### **Item 5– Fees and Compensation**

In addition to the information in **Item 4, Advisory Business**, this section provides additional details regarding our services along with descriptions of each service's fees and compensation arrangements.

### **Financial Planning Services**

#### ***Financial Plans***

We offer written financial plans that can be either modular or comprehensive. Financial plans take into consideration your objectives, risk tolerances, investment knowledge, net worth, income, age, projected retirement, unusual or material funding requirements, inheritance possibilities, pensions, Social Security, children/relative funding issues, estate issues and living expenses expressed in today's dollars requested for retirement. Our investment advisor representatives ("representatives") meet with you to gather information and documentation needed to perform an analysis and review of your situation as well as your objectives and goals. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet your needs.

We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you. Our services do not include legal or tax advice. You are also urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation.

After completing a review and analysis of the information and documents received, our representatives develop their analyses and recommendations and present either a comprehensive or modular (segmented) written financial plan, as requested. A comprehensive plan focuses on your overall financial situation and covers several of the areas previously noted, as needed by your specific situation. A modular (segmented) plan focuses only on one or more specific area(s) of concern, and you should be aware that other important issues may not be taken into consideration when our representatives develop their analyses and recommendations relative to actions and investment strategies designed to attain your goals and objectives.

### ***Consultations***

If you do not desire a written financial plan, you can contract with us for consultations concerning any topic(s) of interest or concern to you. This can include non-securities advice as well. Consultations can be provided on a one-time basis or on an ongoing basis, as needed by you. You determine the length of consultations needed.

### ***Fees***

Fees for financial planning services can be billed on either a fixed or an hourly basis. All fees are negotiable based upon the actual services provided and your specific personal and financial situation. The minimum fixed fee charged is \$250, and the maximum generally does not exceed \$5,000. We disclose the fixed fee charge to you before providing any services. Hourly fees are charged at the rate of up to \$250 per hour with a minimum of one hour charged, with no maximum fee. We provide you with an estimate of the hours needed to provide the requested service. If we later determine that the actual time will exceed the estimate given, we contact you for authorization prior to providing any additional services. Fees are due upon receipt of our detailed billing statement.

### ***Fee Offset***

In addition, if you choose to implement our recommendations through our other advisory services described in this Disclosure Brochure, we may waive and/or reduce the financial planning fees as a result of earning additional advisory fees. Any adjustment to the financial planning fee is at our discretion and is disclosed to you prior to implementing any transactions or contracting for additional services.

### ***Termination***

Financial planning services terminate upon presentation of the financial plan or completion of the consultation services. Either party may terminate services at any time by submitting written notice to all appropriate parties. Termination is effective immediately and there are no fees due and no penalty imposed. In addition, the entire financial planning fee due, in most circumstances, is waived if you are not satisfied with the financial plan prepared by us. However, in these cases, we retain intellectual property rights over the financial plan prepared and the plan must be returned to us.

### **Retirement Plan Services**

We also offer consultation services to retirement plan sponsors. These services can include, but are not limited to:

- Retirement plan evaluation/search;



- Development/review of investment policy statement;
- Investment due diligence including review and analysis of choices offered by custodian;
- Performance measurement and reporting;
- Fiduciary services
- Employee education; and
- Fee analysis.

Except for the informational employee education meetings, the available services are considered fiduciary consulting services. Fiduciary consulting services are not management services, and we do not serve as administrator or trustee of the plan. We do not act as the custodian for any account or have access to client funds or securities. For fiduciary consulting services, all recommendations of investment options are submitted to the plan sponsor for ultimate approval or rejection. For retirement plan fiduciary consulting services, the retirement plan sponsor or the plan participant who elects to implement any recommendations made by us is ultimately responsible for implementing all transactions.

### **Fees**

In consideration for the above services, Client is charged a quarterly fee. The fee charged to Client is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested and the potential for additional deposits. Advisor has also taken into consideration special situations or conflicts of interest where charging a fee to Client is prohibited under ERISA laws.

Described below, the quarterly fee for Retirement Plan Services under the Agreement is charged based upon the amount of Plan assets:

<b>Value of Plan Assets</b>	<b>Fee Amount (In Basis Points, or bps; 1bp = .01%)</b>
For Plan Assets Up to \$999,999	100 bps
For Plan Assets from \$1,000,000 to \$2,499,999	85 bps
For Plan Assets from \$2,500,000 to \$4,999,999	75 bps
For Plan Assets from \$5,000,000-\$9,999,999	65 bps
For Plan Assets over \$10,000,000	50 bps

Advisor's Retirement Plan Services fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the Plan as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for an account opened at any time other than the beginning of the billing period.

Notwithstanding the above, in the event that the quarterly fee as calculated above does not exceed the minimum amount described below, then the quarterly fee will equal the minimum amount described below.

<b>Minimum Amount</b>
\$1,250 per calendar quarter

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the

billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Duncan Williams Asset Management. We will provide the custodian with a fee notification statement.

### ***Termination***

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

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

### **Institutional Client Consulting Services**

Duncan Williams Asset Management will review and make recommendations to the client's current Investment Policy Statement (the "IPS"). All investment recommendations made will be in accordance with the terms of the IPS as it may be amended from time to time.

The services will include:

- Making recommendations regarding other investment managers that may be appointed to manage the Account for you from time to time ("Portfolio Managers");
- Providing clients with periodic due diligence reviews of the Assets in the Account, investment options and recommendations with respect to the account;
- Preparing asset allocation guidelines for accounts based upon the clients investment objectives and risk tolerance parameters;
- Providing performance analysis showing a historical total return performance analysis and performance analysis showing ongoing performance analysis for client's accounts; and
- Preparing an account review containing recommendations concerning Portfolio Managers to provide asset management services including the retention or deletion of any such investment advisors by the client in connection with the management of the accounts.

Non-Discretionary Advisory Services - In providing investment advisory services for accounts, Duncan Williams Asset Management will make recommendations but will not execute any transactions in accounts without prior authorization from clients.

### ***Fees***

The fees for our Institutional Client Consulting Services will be as follows:

<b>Value of Assets</b>	<b>Fee Amount (In Basis Points, or bps; 1bp = .01%)</b>
\$0 - \$999,999	100 bps
\$1,000,000 - \$2,499,999	75 bps
\$2,500,000 - \$4,999,999	50 bps
\$5,000,000 - \$9,999,999	35 bps
\$10,000,000 - \$24,999,999	20 bps
\$25,000,000 - above	Negotiable

Minimum Annual Fee - \$25,000

Advisor's Institutional Client Consulting Services fees are cumulative. For example, an account with \$2,000,000.00 under management will be charged 100bps on the first \$999,999.00 and 75bps on the next \$1,000,001.00. Institutional Consulting fees are also negotiable at the discretion of the advisor based upon the needs of the client and billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the Plan as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for an account opened at any time other than the beginning of the billing period.

Notwithstanding the above, in the event that the quarterly fee as calculated above does not exceed the minimum amount described above, then the quarterly fee will equal the minimum amount.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Duncan Williams Asset Management. We will provide the custodian with a fee notification statement.

### ***Termination***

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

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

## **Asset Management Services**

Some of our clients elect to engage us to provide fee-based asset management services where we are solely responsible for making all investment recommendations and also for making changes to the managed account. If you elect to engage us for this service, we develop an individualized investment program for your account(s). When managing assets, we may also utilize investment managers who provide discretionary management of individual portfolios. Asset management services are separate from and in addition to the financial planning services previously discussed.

To provide these services, we need to obtain certain information from you to determine your financial situation and investment objectives. At least annually, we contact you to determine whether your financial situation or investment objectives have changed. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. Your beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account. A separate account is maintained for you with the custodian and you retain right of ownership of the account (e.g., the right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations).

Charles Schwab & Co., Inc. provides us with technology to assist with order entry, account viewing and account tracking of the DWAM programs. With respect to accounts utilizing this technology, Schwab is responsible for delivering clearing and custody services and providing statements and confirms through a clearing and custody arrangement with us. We are not affiliated with Schwab. Schwab maintains custody of all Program assets and neither we nor our representatives act as custodian of your account or have direct access to your funds and/or securities.

There is a \$50,000 minimum account value required to establish a DWAM account, although we may grant exceptions on a case by case basis at our sole discretion. Our clients are permitted to bundle household accounts to reach the minimum.

### ***Duncan Williams Asset Management Select Account Program***

DWAM's Select Account Program is a program where portfolio management services are provided by DWAM to the client on a discretionary or non-discretionary basis for a management fee based on the value of the account (as described further below). As a discretionary account, DWAM is not required to contact the client prior to each transaction. As a non-discretionary account the client retains final decision-making authority with respect to all transactions. In both cases, DWAM and the client will work together to develop an investment strategy. DWAM will monitor the account to ensure it remains consistent with the investment strategy and that the strategy remains appropriate. Please see **Item 15, Investment Discretion**, for additional information on discretionary and non-discretionary authority.

#### **Additional Services:**

- Recommendation of customized asset allocation;
- Recommendations by the financial advisor to invest, reinvest, sell or retain assets, if appropriate;
- Ongoing monitoring of the account by the financial advisor;
- Advice by DWAM on the client's proposed unsolicited transactions;
- Investing, reinvesting, selling or retaining assets at the DWAM's sole discretion, based on client

- investment questionnaire in Exhibit B of the Investment Advisory Agreement;
- Ongoing monitoring and security selection by the DWAM;
- Development of customized asset allocation; and
- Rebalancing of the securities as needed to conform to the investment allocations and/or for deposits/withdrawals.

### ***Duncan Williams Asset Management Independent Money Manager Program***

DWAM's Independent Money Manager Program provides the client access to select third-party asset managers ("managers"). DWAM may recommend certain managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages a manager may be set forth in a separate written agreement with the designated manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective managers engaged to manage their assets. DWAM evaluates a variety of information about managers, which may include the managers' public disclosure documents, materials supplied by the managers themselves and other third-party analyses it believes are reputable. To the extent possible, DWAM seeks to assess the managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. DWAM also takes into consideration each manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors. DWAM continues to provide services relative to the discretionary selection of the managers. On an ongoing basis, DWAM monitors the performance of those accounts being managed by managers. DWAM seeks to ensure the managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### ***Fees***

DWAM's multiple asset management programs are billed in a manner agreed to between DWAM and the client. Fees may be charged in a tiered management fee schedule or on a flat fee basis.

If the tiered asset management fee billing option is selected the annual fee for asset management services will vary depending upon the value of the assets under management in the client account. The fees will be based upon the following schedule:

<b>Value of Asset Under Management</b>	<b>Annual Fee Amount</b>
\$0 - \$999,999	2.00%
\$1,000,000 - \$2,499,999	1.75%
\$2,500,000 - \$4,999,999	1.50%
\$5,000,000 - \$9,999,999	1.25%
\$10,000,000 - Above	Negotiable

DWAM also provides asset management under a flat fee arrangement. A mutually agreed upon flat fee is charged for asset management services under this arrangement. If the Flat Fee Asset Management

fee billing option is selected the annual fee for asset management services generally range between **0.50% and 2.00%**. The annual management fee for DWAM Program accounts is negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account, the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client. Our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs.

The selected fee billing option and the exact fee to be charged is disclosed in the client agreement that must be signed by both you and us before any services are provided.

For either billing option, the Management Fee is billed in advance on a quarterly basis. The effective date of the fee will be the first day of the quarter during which the client agreement was signed. The initial Management Fee will be prorated to cover the period from the date the Account is opened and approved, through the end of the then current full calendar quarter. For purposes of calculating the initial and subsequent Management Fee, the Account's value includes the sum of the long market value of all securities (less margin debit balances), money market, and cash. No fee adjustment will be made for partial withdrawals or for appreciation or depreciation of the Account within a quarterly billing period. In accordance with the terms of the individual Agreement, a pro-rata refund of fees charged will be made to Client if the Account is closed within a quarterly billing period.

Advisory fees are generally deducted from your account although you can also request that they be billed directly to you. If fees are deducted from your account, you must authorize the qualified custodian to deduct fees from your account and pay the fees directly to DWAM. If you choose to have fees billed directly to you, they are due upon receiving our billing notice. The billing notice details the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm are due immediately after your receipt of the billing notice.

In addition to our Management Fee, you may also incur certain charges imposed by third parties. Such charges may include, but are not limited to, fees charged by Independent Managers, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Account which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, exchange and floor fees, and other fees and taxes on brokerage accounts and securities transactions.

Third-party managers may have additional fees as well. A complete description of the third-party money manager's services, fee schedules and account minimums will be disclosed in the third-party money manager's disclosure brochure which will be provided to you prior to or at the time an agreement for services is executed and the account is established. The actual fee charged to you will vary depending on the third-party money manager.

We offer services through both traditional portfolio management and wrap-fee management programs. In a traditional portfolio management program, advisory services are provided for a fee but transaction services (fees associated with the purchase and sale of securities for your account) are billed separately on a per-transaction basis. Under our wrap-fee management programs, our advisory services (including portfolio management or advice regarding selecting other advisors) and transaction services are provided for one fee.

For suitability purposes, each investment in each account is reviewed according to investment objectives, risk tolerance and overall net worth. Investments are recommended as part of a holistic wealth management approach to asset allocation for accounts within a wrap-fee program. The essential difference between transactional accounts and those under management in a wrap-fee program is the way in which transaction services are paid.

### ***Termination***

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

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

### **Additional Compensation**

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. We endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that may impact our judgment when making advisory recommendations.

Please see **Item 10, Other Financial Activities and Affiliations**, and **Item 12, Brokerage Practices**, for additional discussion on these conflicts of interest.

### **Comparable Services**

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not charge performance-based fees.

### **Item 7 – Types of Clients**

We generally provide investment advice to the following types of clients:

- Individuals (including high-net worth individuals)
- Charitable Organizations
- Corporations or other business entities
- Institutional Clients

### **Minimum Investment Amounts Required**

There is a minimum \$50,000 required to establish a portfolio managed account, although we may grant an exception from time to time on a case by case basis in our sole discretion.

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

### **Methods of Analysis**

We use fundamental, technical, and cyclical analysis as well as charting when considering investment strategies and recommendations for clients.

#### ***Fundamental Analysis***

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

#### ***Technical Analysis***

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

#### ***Charting***

Charting is a form of technical analysis that charts the patterns of stocks, bonds and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing



price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading commonly referred to as indicators, can help them forecast future price movements.

### ***Cyclical Analysis***

Cyclical analysis looks at recurring periods of expansion and contraction that can impact a company's profitability and cash flow. Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down (i.e., housing, automobiles, telecommunications, paper, etc.). Non-cyclical industries (i.e., food, insurance, drugs, health care, etc.) are not as directly impacted by economic changes.

### **Investment Strategies**

The investment strategies used when implementing investment advice include, but are not limited to:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Option writing (Including covered options, uncovered options or spreading strategies.) (Note: options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.)
- Margin

We gather information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses and other filings with the Securities and Exchange Commission and company press releases. For managed Program accounts, we may also use information, research, analysis, recommendations and asset allocation methodology of third party providers.

### **Risk of Loss**

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. You should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk. Examples of these risks include the following:

- Market Risk. The market as a whole resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally

exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.

- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities themselves. Purchasing and selling put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are contracts giving investors the right to sell or buy a specified amount of a security at a set price within a set time.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- Management Risk. Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

#### **Item 9– Disciplinary Information**

We have no legal or disciplinary events that we believe are material to your evaluation of our business or the integrity of our management.

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

Duncan F. Williams owns a controlling membership interest in DWAM and is a director. Mr. Williams is a director, shareholder, and executive officer of Duncan-Williams, Inc., a registered broker-dealer and registered investment adviser (“DWI”). From time to time we may recommend securities (or other investment products) to advisory clients in which we or any related person has proprietary ownership or interest. Clients of DWAM are under no obligation to engage DWI as a broker-dealer or investment adviser, to effect securities transactions, or to purchase any other products from or through DWI or any of its representatives acting on its behalf. DWAM and DWI have entered into a services agreement in which DWI provides certain administrative services on behalf of DWAM. These services include the following:

- Back office investment operations support,
- Marketing support,
- Administrative Support,
- Personnel Support,
- Compliance Support, and

- Legal and Tax Support.

DWAM has agreed to pay DWI a fee in consideration for providing these services. Either party may terminate this agreement upon providing at least 60 days prior notice.

We are not and do not have a related person that is:

- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, and offshore fund) a futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- A lawyer or law firm
- Real estate broker or agent
- A pension consultant
- A sponsor or syndicator of limited partnerships

### **Third-Party Money Managers**

As described in **Item 5, Fees and Compensation**, we have formed relationships with independent, third-party money managers and we may recommend you work directly with third-party money managers.

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

### **Code of Ethics**

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that applies to all of our associated persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of client at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of our own or our supervised persons' own investment interests. We provide full disclosure of all material facts and potential conflicts of interest to clients prior to any services being conducted. We and our supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy is provided promptly upon request.

### **Participation in Client Transactions and Personal Trading**

Our associated persons may buy or sell securities or have an interest or position in a security for our

personal account that is also recommended to clients. We are and will continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. As these situations may represent a potential conflict of interest, it is our policy that no associated persons will prefer his or her own interest to that of the advisory client. No person employed by us may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. We maintain a list of all securities holdings for it and all associated persons, which is reviewed on a regular basis by a principal of the firm. This log is available for client review upon request.

## **Item 12 – Brokerage Practices**

### **The Custodian and Brokers We Use**

DWAM does not maintain custody of your assets that we manage/on which we advise (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend/request that our clients use Schwab, a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we/you instruct them to. While we recommend/request that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for your accounts);
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.) and willingness to negotiate them;
- Reputation, financial strength and stability of the provider;
- Their prior service to us and our clients;
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”)

### **Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain \$100,000,000 of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commissions or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) in to your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees. Here is a more detailed description of Schwab's support services.

**Services that Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that May Not Directly Benefit You.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and third parties. We may use this research to service all or some substantial number of our client's accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account

statements);

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients' accounts; and
- Assist with back-office functions, recordkeeping and client reporting.

**Services that Generally Benefit Only Us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Technology, compliance, legal and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give us an incentive to recommend/request that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as the custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see "How We Select Brokers/Custodians and not Schwab's serves that benefit only us). We are a newly formed investment adviser, but anticipate having at least \$100 million assets under management within the 120 days of becoming registered as an investment adviser and do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### **Best Execution**

If we assist you in implementing any recommendations, we have a duty to ensure that you receive the best execution possible. Best execution of client transactions is an obligation we take seriously and is a catalyst in the decision to use Schwab. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration.

Schwab may make available to us at reduced or no cost other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us 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 fees to us from client accounts
- Assists with back-office functions, record-keeping and client reporting

Schwab may also offer other services intended to help us manage and further develop our business enterprise such as consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

As a fiduciary, we endeavor to act in your best interests. However, our recommendation that you maintain your assets at Schwab may be based in part on the benefit to us 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 Schwab. This may create a potential conflict of interest.

### **Handling of Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and we absorb any loss resulting from the trade error if we caused the error. If the error is caused by the broker/dealer, the broker/dealer is responsible for covering all trade error costs. If an investment gain results from the correcting trade, at times the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains. Many times, whether the gain will remain in the client's account depends on the policy of a mutual fund if related to the transaction in question. It is not permissible for all clients to retain the gain. We may also confer with clients to determine if they should forego the gain (e.g., due to tax reasons). We never benefit or profit from trade errors.

### **Aggregate Trading**

We do not currently aggregate the purchase or sale of securities for various client accounts since, at this time, each of our client accounts must be maintained separately from one another.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Financial planning services terminate upon presentation of the written plan or completion of the financial planning consultation services. Therefore, no reviews are conducted for these accounts. If you elect to

have a review and update to an original financial plan, additional fees are charged and you are required to sign a new client agreement.

The firm's Investment Committee reviews each account of the firm. In addition, each account is assigned a lead Client Service Representative who is responsible for reviewing his or her accounts. At a minimum, accounts are reviewed on a quarterly basis. The calendar is the main triggering factor, although more frequent reviews may be also be triggered by your specific request, by changes in your circumstances or unusual market activity.

Accounts at third party investment advisors are reviewed and monitored by the selected third party investment advisors. The frequency of reviews conducted by third party investment advisors will vary from manager to manager. Triggering factors for changes to underlying portfolios within a money manager portfolio include the relative valuation changes between asset classes, deviation from management style by manager, or fund closures. At a minimum, DWAM will also review these accounts at least quarterly, usually when copies of account statements are received.

### **Account Reports**

You receive statements at least quarterly from the custodian where your accounts are maintained. In addition, you may elect to receive quarterly or on-demand position and performance reports from us. There is no charge for the reports the custodian prepares for you.

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

### **Client Referrals**

While we do not currently have any arrangements in place, we may enter into agreements with unaffiliated solicitors (referring parties) to refer clients to us. If a client is referred to us by a solicitor, the solicitor provides the client with a copy of our Disclosure Brochure as required by Rule 204-3 of the *Investment Advisers Act of 1940*. The client also receives a copy of the solicitor disclosure statement containing the information set forth in Rule 206(4)-3 of the *Investment Advisers Act of 1940*. If a referred client enters into an investment advisory agreement with us, a referral fee is paid to the solicitor. The referral relationship will not result in clients being charged any fees over and above the normal fees charged for the advisory services provided.

The referral agreements between us and the solicitors will be in compliance with regulations as set out in 17 CFR §275.206(4)-3 and the Rules under the *Investment Advisers Act of 1940*.

### **Other Compensation**

Please see **Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations** and **Item 12, Brokerage Practices**, for additional discussion about solicitor/referral fees from third party managers, other compensation and non-economic benefits.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and



services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. Please note that regulators have deemed the authorization to trade in client accounts to not be custody. However, we are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. Our procedures do **not** result in our maintaining custody of client funds and securities.

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

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

Our services may be provided on a discretionary basis. This means we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority.

When discretionary authority is granted, it is limited. We do not have custody or access to withdraw your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

If management services are provided on a non-discretionary basis, we will always contact you to discuss the transaction and receive your approval before implementing any transactions in an account. You must accept or reject our investment recommendations, including:

- (1) the security being recommended,
- (2) the number of shares, units or dollar amounts,
- (3) whether to buy or sell.

Once these factors are agreed upon, we are responsible for making decisions regarding the timing of the

purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

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

We do not vote proxies on your behalf unless required by law. You should read through the proxy materials provided and make a determination on the issues presented. You have ultimate responsibility for voting proxies.

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

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

#### **Item 19 - Additional Information**

The firm does not receive performance based fees and none of our management personnel have been involved in any client arbitrations or similar legal disputes. Neither we nor our management personnel have a relationship or arrangement with any issuer of securities. (But please see **Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices.**)

#### **Customer Privacy Notice**

In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act* ("GLBA"). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to non-affiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. We do not share or disclose customer information to non-affiliated third parties except as permitted or required by law.

We are committed to safeguarding the confidential information of our clients. We hold all personal information provided by clients in the strictest confidence and it is our objective to protect the privacy of all clients. Except as permitted or required by law, we do not share confidential information about clients with non-affiliated parties. In the event that there is a change in this policy, we provide clients with written notice and clients are provided an opportunity to direct us whether such disclosure is permissible.

To conduct regular business, we may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to the advisor
- Information about the client's transactions implemented by the advisor or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for us provide access to customer information within our firm and to non-affiliated companies with whom we

have entered into agreements. To provide the utmost service, we may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on our behalf.

- Information we receive from the client on applications (name, Social Security number, address, assets, etc.)
- Information about the client's transactions with us or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with us

Since we share non-public information solely to service client accounts, we do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. However, we may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.