

Check Capital Management Inc.
FIRM BROCHURE
(Part 2A of Form ADV)

August 20, 2015

Check Capital Management Inc.

CRD No. 107058
575 Anton Blvd., Suite 500
Costa Mesa, CA 92626
Telephone: (714) 641-3579
Email: info@checkcapital.com
Web Address: www.checkcapital.com

Part 2A of Form ADV (the "Brochure") provides information about the qualifications and business practices of Check Capital Management Inc. If you have any questions about the contents of this brochure, please contact us at (714) 641-3579. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Check Capital Management, Inc. is a registered investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Check Capital Management Inc. and its advisory personnel is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

Check Capital Management Inc. (“CCM”) last updated its Form ADV on March 19, 2015 and again on June 1, 2015. Since that time, the firm has made additional material changes to its Brochure in accordance with the following:

- Item 4 – Advisory Business. Reference to the CCM Private Fund, LP (the “Fund”) has been removed from this Brochure as all Fund assets have been liquidated and thereafter distributed to its investors; the Fund is no longer soliciting, marketing to or accepting new investors.
- Item 5 – Fees and Compensation. For those clients who are qualified and elect to be assessed a profit-based management fee, the fee schedule has two components. First, a Minimum Quarterly Prepaid Fee (“Quarterly Fee”) of .125% of the account value is charged in advance at the beginning of the calendar quarter. While the Quarterly Fee is separate and distinct from the Profit-Based Fee, the Quarterly Fee will accrue as a credit that reduces any Profit-Based fee assessed in the Client’s account. Secondly, CCM’s Profit-Based Fee will continue to be 10%. Please refer to Item 5 for important additional information, including two illustrations of the Profit-Based Fee.
- Item 6 – Performance-Based Fees. This item has been updated to reflect the revised profit-based management fee option discussed above. In addition, this item has been updated to disclose the conflict of interest that exists due to CCM having obtained an expense reimbursement insurance policy (the “Portfolio Insurance Policy”) that could result in a payment to CCM in an amount up to \$1,775,000 if CCM does not earn sufficient performance-based fees to pay for the firm’s expenses.
- Item 10 – Other Financial Affiliations. This item has been updated to remove reference to the affiliation between the CCM and the Fund.
- Item 12 – Brokerage Practices. This item has been updated to remove references to brokerage practices of the Fund.
- Item 15 – Custody. This item has been updated to remove reference to custody considerations of the Fund.

To receive a copy of our complete brochure, or for additional information about the firm and its advisory services and related fees, please contact us at (714) 641-3579, email us at info@checkcapital.com and e visit www.checkcapital.com.

ITEM 3: TABLE OF CONTENTS

<u>ITEM NUMBER</u>	<u>Page</u>
ITEM 1: COVER PAGE	2
ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS	3
ITEM 4: ADVISORY BUSINESS	4
ITEM 5: FEES AND COMPENSATION	5
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	8
ITEM 7: TYPES OF CLIENTS	9
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	9
ITEM 9: DISCIPLINARY INFORMATION	12
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	12
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	13
ITEM 12: BROKERAGE PRACTICES	14
ITEM 13: REVIEW OF ACCOUNTS	20
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION	20
ITEM 15: CUSTODY	22
ITEM 16: INVESTMENT DISCRETION AND LIMITATIONS	22
ITEM 17: VOTING CLIENT SECURITIES	22
ITEM 18: FINANCIAL INFORMATION	23
ITEM 19: QUESTIONS	23

ITEM 4: ADVISORY BUSINESS

A. Description of Firm

CCM is an SEC-registered investment adviser with its principal place of business located in Costa Mesa, California. CCM began conducting business in 1987. The firm was founded by Steven Check and is owned by the Check Family Trust.

B. Type of Advisory Services Offered

Managed Accounts: CCM's primary business is asset management of investment accounts for individuals, high-net-worth clientele, retirement plans and corporate clients, among others ("Clients"). Investments are predominantly in U.S. equities, corporate and municipal bonds and covered-call stock options. CCM provides asset-allocation advice (stocks, bonds, cash weighting) and complimentary retirement income-planning services where retirement cash flow plans are generated.

CCM asks the Client for specific information, such as investment objectives, investment time-horizon, tax considerations, and any reasonable restrictions on the management of the Client's assets. We will invest the Client's account assets based on those guidelines and in accordance with the CCM Investment Program selected by the Client.

In performing its services, CCM 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 CCM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CCM's previous recommendations and/or services.

Mutual Fund: CCM is the investment adviser to the Blue Chip Investor Fund, an investment company registered under the Investment Company Act of 1940. The Fund Prospectus and Statement of additional Information are available online at www.bluechipinvestorfund.com. Prospective investors should review these documents carefully before making an investment in the Blue Chip Investor Fund.

Publication of Periodicals: CCM publishes a monthly newsletter, *The Blue Chip Investor*, providing general information on equity investing, asset allocation, market valuations, etc. The information provided does not purport to meet the objectives or needs of any individual investor. The annual subscription rate is \$249. The newsletter is provided free of charge to Clients.

C. Assets Under Management

As of December 31, 2014, Client assets under management are: \$1,020,266,606 of discretionary assets and \$27,294,161 of non-discretionary assets. Total assets under management: \$1,047,560,767.

ITEM 5: FEES AND COMPENSATION

CCM offers Clients two fee-schedule choices for its asset-management services. One choice is a profit-based management fee and the other is an asset-based management fee.

Management Fee Choice #1:

Profit-Based Management Fee: 10% of account profits with a minimum quarterly prepaid fee. This option is available only for Clients who meet the definition of “qualified client”¹ as described below.

The Profit-Based Management Fee has two components:

i. Quarterly Prepaid Fee (“Quarterly Fee”)

The Quarterly Fee is 0.125% of the account value (0.5% annualized), charged in advance at the beginning of each calendar quarter. Quarterly Fees will be pro-rated for the partial quarter at commencement of management and based on the starting value of the Client’s Account. If the account is terminated by either the Client or CCM, no Quarterly Fees will be rebated except for a pro-rated refund of Quarterly Fees collected in the final quarter. Important note: While the Quarterly Fee is separate and distinct, the Quarterly Fee reduces any future 10%-of-Profits Fee (see below) in the Client’s account.

ii. Annual 10%-of-Profits Fee

Profits are defined as the change in the portfolio value, net of deposits/withdrawals. The 10%-of-Profits Fee is defined as 10% of Account profits, less all Quarterly Fees paid since the account’s inception or the last 10%-of-Profits Fee, whichever is most recent. The initial billing period is the first four complete calendar quarters plus the remainder of the partial calendar quarter² that includes the Account’s inception. After the initial billing period, each subsequent billing period would consist of the next four calendar quarters.³ If the Account owes no 10%-of-Profits Fee at the end of a billing period (e.g., because of negative investment performance), subsequent 10%-of-Profits Fees will be calculated using a “high-water mark”. The high-water mark is the value of the Account (net of deposits/withdrawals) on the date of the last 10%-of-Profits Fee or the account’s inception, whichever is most recent. CCM reserves the right to make appropriate adjustments to an Account’s high-water mark following withdrawals; clients will be notified in writing of any such adjustments.

¹ As of this date of the Brochure, the term *qualified client* means: (i) A natural person who, or a company that, immediately after entering into an advisory contract has at least \$1,000,000 under the management of the investment adviser; or (ii) A natural person who, or a company that, the investment adviser reasonably believes prior to entering into the contract, either has a net worth of more than \$2,000,000, exclusive of primary residence and net of any debt secured by Client’s residence taken out in the last 60 days except for purchase of the residence, or is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 at the time the contract is entered into. Notably, clients who met the definition of “qualified clients” prior to the definitional change are grandfathered from these new requirements which went into effect in May 2012.

² Calendar quarter is defined as Jan. 1 – Mar. 31; Apr. 1 – June 30; July 1 – Sept. 30; and Oct. 1 – Dec. 31.

³ For example, if an account incepts on 08/20/2015, the initial Billing Period is 08/20/2015 through 09/30/2016. The next subsequent Billing Period would be 10/01/2016 through 09/30/2017.

The components of the Profit-Based Management Fee are illustrated in the following examples:

Example 1: Client A engages CCM to manage a \$1 million account on 8/20/2015. During the initial billing period (8/20/2015 - 09/30/2016), the account value gains 10% to \$1,100,000 (assuming no deposits/withdrawals). Also, over the initial billing period, Client A would have paid CCM an annualized 0.5% of the account value in Quarterly Fees (here, approximately \$5,250). The \$5,250 reduces the 10%-of-Profits Fee due. Below is the calculation for the 10%-of-Profits Fee.

Account's inception value (initial high-water mark): \$1,000,000
Profits = \$1,100,000 - \$1,000,000 = \$100,000
10% of Profits: $10\% \times \$100,000 = \$10,000$
Quarterly Fees since the high-water mark: \$5,250
10%-of-Profits Fee due on 09/30/2016: $\$10,000 - \$5,250 = \$4,750$
New high-water mark after year one: \$1,100,000

Example 2: Client A engages CCM to manage a \$1 million account on 8/20/2015. During the initial billing period (8/20/2015 - 09/30/2016), the account value declines 10% to \$900,000 (assuming no deposits/withdrawals). Since there's no profit, no 10%-of-Profits Fee would have been due at the end of the billing period. However, Client A would have paid CCM an annualized 0.5% of the account value in Quarterly Fees (here, approximately \$4,750 total). The \$4,750 reduces the 10%-of-Profit Fee due in subsequent billing periods. In year two (10/01/2016 – 09/30/2017), Client A's account value appreciates from \$900,000 to \$1,200,000 (again, assuming no deposits/withdrawals). CCM would assess Quarterly Fees of approximately \$5,250 for this billing period, which also reduces any 10%-of-Profits Fee due. Below is the calculation for the 10%-of-Profits Fee due at the end of year two.

Account's inception value (initial high-water mark): \$1,000,000
Profits = \$1,200,000 - \$1,000,000 = \$200,000
10% of Profits: $10\% \times \$200,000 = \$20,000$
Quarterly Fees since the high-water mark: $\$4,750 \text{ (year one)} + \$5,250 \text{ (year two)} = \$10,000$
10%-of-Profits Fee due on 09/30/2017: $\$20,000 - \$10,000 = \$10,000$
New high-water mark after year two: \$1,200,000

Management Fee Choice #2:

Asset-Based Management Fee: 1% of the Account Assets annually. A quarterly fee of 0.25% (1.0% annualized) will be assessed and charged in advance based on the value of the Client's Account as of the last day of each calendar quarter. Fees will be pro-rated for the partial quarter at commencement of management and based on the starting value of the Client's Account.

We will send you an invoice for the payment of our management fee, or we will deduct our fee directly from your account through the custodian holding your funds and securities. We will deduct our management fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the custodian will deliver an account

statement to you at least quarterly. These account statements will show all the disbursements from your account. You should review all statements for accuracy.

Blue Chip Investor Fund: The mutual fund pays an asset-based management fee to CCM.

Termination of the Advisory Relationship: Either party may terminate the Investment Advisory Agreement at any time. Upon termination, any prepaid, unearned fees will be refunded.

Limited Prepayment of Fees: Under no circumstances does CCM require or solicit payment of fees more than six months in advance of services rendered.

Wrap-Fee Programs: In a wrap-fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. That means that Client portfolio transactions are executed without commission charges pursuant to a written wrap-fee agreement. For Clients participating in wrap-fee managed account programs, they may be charged various program fees in addition to the advisory fee charged by CCM. Currently, CCM does not open wrap-fee accounts.

Advisory Fees in General: The fees outlined represent the fees CCM generally charges for portfolio management services. However, CCM fees may be negotiable and arrangements with any particular Client may differ from those described above. Also, Clients should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. More information regarding directly debiting advisory fees from Client accounts can be found in Item 15.

Additional Fees and Expenses: For Clients receiving portfolio management services, the Client's account assets are generally custodied with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity"), or in the alternative, may be custodied at Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab") or TD Ameritrade (collectively hereinafter "broker/custodians"). In addition to those fees charged by CCM, there are certain transactional charges applicable when purchasing and selling securities in Client accounts. The additional fees are charged by the broker/custodians and are separate and in addition to those fees charged by CCM. A written confirmation of each transaction, including all transaction charges, will be sent by the broker/custodians to the Client following execution of each transaction. Please refer to Item 12 for detailed information on these brokerage services.

All fees paid to CCM for the various services it provides to Clients are separate and distinct from the fees and expenses charged by third parties (including broker/custodians). These separate fees and expenses include, but are not limited to, custodial fees, execution costs, and mutual fund fees and expenses. Client assets also may be subject to transaction fees, brokerage fees and commissions, retirement plan administration fees (if applicable), trustee fees, deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For mutual funds and exchange traded funds, a Client may

be charged internal management fees, distribution fees, redemption fees and other expenses, which are fully described in the applicable fund's prospectus.

Assignment: Neither CCM nor the Client may assign the written agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of CCM shall not be considered an assignment.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted in Item 5 above, CCM may charge certain Clients a performance-based fee (*i.e.*, a fee calculated based on a share of capital gains upon or capital appreciation of the assets or any portion of the assets of an advisory Client) as part of our profit-based fee for separately manage accounts. Performance-based compensation payable to CCM may be larger than otherwise would be the case if the fee was calculated as a percentage of assets under management because the amount of the fee will be based on account performance. Performance-based fee arrangements may create certain conflicts of interest due to the fact that CCM also has accounts that are assessed a percentage of assets under management or flat fees based on the following: (i) performance-fee arrangements may create an incentive for the manager to make investments that are riskier or more speculative than would be the case in the absence of a performance fee; (ii) the manager may receive compensation with regard to unrealized (not sold) appreciation as well as realized (sold) gains in the Client's account; and (iii) the fees charged by managers in performance-fee arrangements may be higher or lower than fees charged by other advisers for comparable services.

Side-by-side management refers to the fact the CCM manages accounts for Clients and the Blue Chip Investor Fund. This can create a conflict of interest if and when the same security is purchased in the fund(s) and in client accounts at different times. To mitigate this conflict of interest, CCM had developed a trade rotation policy which is described in Item 12 below. In addition, it is CCM's policy to not show a preference to any fund or client, regardless of their custodian or management-fee arrangement.

Considerations of Portfolio Insurance Policy

CCM acquired expense reimbursement insurance policy (the "Portfolio Insurance Policy") in 2015. The Portfolio Insurance Policy was purchased from a captive insurance company, CCM Bucket One Insurance, with reinsurance through Port Royal Insurance Company LTD SAC. The policy limit is \$1,775,000. CCM has a self-insured retention (*i.e.*, a deductible) of \$350,000. The next \$532,500 of the claim is paid by CCM Bucket One from premiums paid by CCM. Only certain operating losses of CCM above \$882,500 (\$350,000 + \$532,500) are paid by Port Royal Insurance, which contributes up to 70% of the loss. The trigger for a claim is based on CCM's Quality Growth Program's composite performance, and covers all assets being managed under a profit-based fee if the composite results in a negative return for 2015.

The intent of the Portfolio Insurance Policy is to allow for CCM to protect the firm's financial condition so that it would not be impaired to the point the firm might fail to meet existing contractual obligations due to a depression in the market.

However, the Portfolio Insurance Policy also creates a conflict of interest in that the policy may provide CCM with an incentive to bear additional risks with Client assets in an effort to maximize CCM's profits and impede the Clients' returns. To mitigate against this conflict related to favoritism or self-dealing, CCM strives at all times to keep its Clients' best interests ahead of its own. To that end, our investment team has ongoing discussions amongst core team members before any investment recommendation is implemented. This disciplined approach to equity portfolio management allows for integrity in execution.

ITEM 7: TYPES OF CLIENTS

CCM manages accounts for individuals, corporations, partnerships, etc., in almost any type of account (individual, joint, trust, IRA, profit-share, etc.) that can be opened at a brokerage firm. In addition, CCM serves as manager to the Blue Chip Investor Fund.

Additionally, CCM manages ERISA accounts, including employee benefit, pension and profit sharing plans, and is deemed to be a "fiduciary" to such Clients pursuant to the Employee Retirement Income and Securities Act ("ERISA") and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively.

Minimum Account Requirements: CCM imposes a minimum investment of \$500,000 per new Client. This requirement may be waived, at CCM's sole discretion.

There may be times when certain restrictions are placed by a Client, which prevents CCM from accepting or continuing to manage the portfolio management account. CCM reserves the right to not accept and/or terminate management of a Client's account for any reason.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis

CCM's investment philosophy is based on a "Warren Buffett style" approach which stems from Ben Graham's classic observation that "investing is most intelligent when it is most business-like." That means that CCM does not just view stocks as financial instruments that trade up or down; instead, we view them as ownership stakes in the underlying businesses.

For its portfolio holdings, CCM generally seeks a margin of safety in terms of price paid relative to business value received. We believe that buying at a discount to intrinsic business value not only offers a magnified prospective return, but more importantly, provides a buffer against the things that can go wrong. CCM's commitment is to focus on the long term.

CCM does its own fundamental research. We read company annual reports, listen to conference calls, and review company presentations. We compare companies to their peers. We try to envision what the company will be earning three (3) to five (5) years from now. We often write our own proprietary research reports on companies whose stocks we own for Clients.

CCM also utilizes research such as Morningstar, Value Line, Bloomberg and other commercial software, to assist in its overall evaluation of securities.

B. Investment Strategies

Depending on Clients' investment objectives, risk tolerance and time horizons, Clients choose (with our guidance) a CCM investment program or fund. The portfolios usually consist of stocks, bonds and/or covered-call options. Our investment programs are known as 1) Quality Growth Program; 2) Equity-Income Program; 3) Balanced Program; 4) Private Program and 5) flexFOLIO Program. Each program is briefly described below.

Quality Growth Program portfolios emphasize capital appreciation and preservation through investments in high quality companies. Accounts usually hold 15-25 stocks when fully invested. For taxable accounts, tax considerations are usually taken into account.

Equity-Income Program accounts emphasize income generation through investments in individual stocks and covered-call option positions. Individual stock investments are usually in large-cap stocks that pay dividend income.

Balanced Program accounts are similar to the Equity-Income Program accounts except in-the-money covered call option positions are employed. High-quality bonds or bond funds may also be purchased.

Private Program accounts use leverage. While money is not borrowed, leverage is employed by buying stock options instead of stocks. The investments are often hedged. Call options are owned at a lower strike price and shorted at a higher strike price. The investments are very focused and extreme volatility should be expected. Only clients seeking high returns with high risk should invest in the Private Program.

flexFOLIO Program accounts are non-discretionary. The Program is for Clients where CCM's other investment programs are not appropriate.

Clients can learn more about the above programs by discussing them with CCM personnel. The performance of discretionary CCM programs is verified by a CPA and the verification report is available upon request.

Our investment fund is known as Blue Chip Investor Fund.

Blue Chip Investor Fund is used to accommodate a Client's smaller accounts (UTMA, IRA, etc.). The mutual fund's assets are maintained at US Bank. The Fund maintains an independent administrator that makes all required regulatory filings and an independent Board of Directors (no person associated with CCM sits on the Board). Please see Item 5 above for information relating to CCM's compensation from the Fund.

No Legal, Accounting or Insurance Services: CCM, nor any of its representatives, serves as an attorney, accountant, or insurance agent, and no portion of CCM's services should be construed as same.

Conflict of Interest: To the extent that any Client or prospective Client has questions regarding the potential for a conflict of interest pertaining to an investment in the Blue Chip Investor Fund, CCM's Chief Compliance Officer, Robert Hill, is available to address questions.

C. Risk of Loss

CCM employs a fundamentals-based investment methodology. Our securities analysis makes use of publicly available sources of information. There is always a risk that our analysis may be compromised by undetected inaccuracies. In addition, our conclusions may prove to be wrong and investments for Clients may consequently result in losses.

Notably, investing in securities involves risk of loss that Clients should be prepared to bear. CCM's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of their account and there can be no assurance that a Client's investment objectives will be obtained and no inference to the contrary is being made.

In addition, generally, the market value of stocks will fluctuate with market conditions. The market value of bonds will generally fluctuate inversely with interest rates and other market conditions prior to maturity and will equal par value (face value) at maturity.

Mutual fund investing involves risk including the possible loss of principal. Non-diversified funds are more susceptible to financial, market and economic events effecting the particular issuers and industry sectors in which they invest and therefore may be more volatile or risky than less concentrated investments. In addition, there is no assurance that a mutual fund will achieve its investment objective. Mutual fund investments also may result in unexpected tax liabilities which cannot be controlled by CCM or the Client.

Importantly, past performance of investments is no guarantee of future results. Some additional investment risks a Client should be aware of include, but are not limited, to the following:

- **Management Risk.** There is the risk that the investment techniques and risk analyses applied by CCM may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to CCM. There is no guarantee that a Client's investment objectives will be achieved.
- **Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Reinvestment Risk.** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (*i.e.*, interest rate). This primarily relates to fixed income securities.

From time to time CCM investment opportunities may also employ option strategies. The following risks are associated with these types of transactions:

- Option buying. This is a basic options strategy where investors buy a call or put option with the hope that the price of the underlying stock will move far enough to cover the premium paid for the option.
- Option writing. Investors can sell options in order to obtain additional income from premiums paid by the option buyer. Option writing is often associated with the investment strategy known as covered call writing. Covered calls limit the upside of a stock holding.
- Uncovered Options and Spreading strategies. Uncovered options trading can be more risky than writing covered call options. The potential loss is theoretically unlimited. An option spread involves combining two different option strikes as part of a limited risk strategy.

Prior to entering into an agreement with CCM, the Client should carefully consider committing to stock portfolio management only those assets that the Client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years.

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 CCM) will be profitable or equal any specific performance level(s).

ITEM 9: DISCIPLINARY INFORMATION

CCM is required to disclose all legal and disciplinary events that are material to a Client's or prospective Client's evaluation of our advisory business or the integrity of our management. CCM and its management personnel have no reportable disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither CCM nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities. Moreover, CCM does not have any relationship or arrangement that is material to its advisory business or to its Clients. CCM does not recommend or select other investment advisers for Clients in exchange for compensation from those advisers.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Summary

The Investment Advisers Act of 1940 imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. CCM's Clients therefore entrust us to use the highest standards of integrity when dealing with their assets and making investments that impact their financial future. Our fiduciary duty compels all employees to act with integrity in all of our dealings.

Because CCM's investment professionals may transact in the same securities for their personal accounts as they may buy or sell for Client accounts, it is important to mitigate potential conflicts of interest. To that end, CCM has adopted personal securities transaction policies in the form of a Code of Ethics ("Code"), which all CCM associated persons must follow.

CCM's Code of ethics sets forth high ethical standards of business conduct which we require of our employees. CCM and its personnel owe a duty of loyalty, fairness and good faith toward all Clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

The CCM Code of Ethics sets forth policies and procedures for the review of quarterly securities transactions reports, as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (*e.g.*, private placement) or an initial public offering. Moreover, our Code includes oversight, enforcement and recordkeeping provisions.

The CCM Code of Ethics further includes our policy prohibiting the use of material non-public information for insider trading.

All CCM associated persons receive a copy of the Code of Ethics no less than annually, at which time they acknowledge their receipt and understanding. CCM will provide a copy of the Code to any Client or prospective Client upon written request by emailing info@checkcapital.com or by calling us at (714) 641-3579.

B. Participation or Interest in Client Transactions

CCM's Code permits associated persons of the firm to invest in the same securities as Clients. Consequently, there is a possibility that the CCM associated person could benefit from market activity by a Client in a security held by that person. To mitigate this conflict, CCM's Code is designed to ensure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory Clients.

Employees are prevented from benefiting from transactions placed on behalf of advisory accounts. To that end, Employee trading is continually monitored under the Code, with an eye to reasonably prevent conflicts of interest between CCM and its Clients.

Side-by-side management refers to the fact that CCM manages accounts for individuals and a mutual fund. CCM has policies in place to ensure that all Clients of the firm, regardless of entity, are treated similarly regarding trade order and allocation. See additional information in Items 6 and 12.

CCM does not affect any principal or agency cross securities transactions for Client accounts, nor does it affect cross-trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Should CCM ever decide to affect principal trades or cross-trades in Client accounts, it will comply with the provisions of Rule 206(3) of the Advisers Act.

ITEM 12: BROKERAGE PRACTICES

CCM does not maintain custody of your assets that we manage. Nevertheless, we may be deemed to have custody of Client assets because Clients give us authority to deduct management fees from their accounts (*see Item 15 Custody, below*). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. As further described in Item 5, CCM currently recommends that Clients use primarily Fidelity, in addition to Schwab or TD Ameritrade (collectively hereinafter "broker/custodians") to maintain custody of Client assets and to effect trades for Client accounts. CCM is independently owned and operated and not affiliated with any broker/custodians. The broker/custodians will hold our Clients' assets in a brokerage account and buy and sell securities when CCM instructs them to. While CCM recommends using one or more of the broker/custodians mentioned above, Clients will decide whether to do so when they open an account with a broker/custodian by entering into an account agreement directly with the selected broker/custodian.

As further described below, factors considered by CCM in recommending Client's utilize the services of a broker/custodian include, but are not limited to, the reasonableness of their commissions, their financial strength, product availability, research and other services available to both the Client and the CCM.

A. Selection Criteria

CCM generally places all transactions through the broker/custodians mentioned above. CCM periodically evaluates the commissions charged and the services provided by these broker/custodians and compare those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians.

How We Select Broker/Custodians

CCM seeks to select and recommend broker/custodians who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. CCM considers a wide range of factors, including, among others, the following:

- 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 account);
- 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, ETFs, etc.);
- availability of investment research and tools that assist us in making investment decisions;
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- the custodian/broker's prior service to us and our other Clients; and
- availability of other products and services that benefit us, as discussed below (*see "Products and Services Available to Us"*).

Custody and Brokerage Costs

Our recommended broker/custodians generally do not charge CCM Client accounts separately for custody services, but rather are compensated by charging commissions or other fees on trades that they execute or that settle into broker/custodian accounts. Each broker/custodian's commission rates applicable to CCM Client accounts are negotiated based on our commitment to maintain CCM Client assets in accounts at these recommended broker/custodians. In addition to commissions, broker/custodians may charge a flat dollar amount as a "trade away" fee for each trade that CCM executes by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a broker/custodian account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. In order to minimize trading costs, CCM will only use the recommended broker/custodians to execute trades for your account if CCM believes it is in your best interest to do so.

Products and Services Available to Us

From the Broker/Custodian

Each of the recommended broker/custodians employs certain platforms that serve independent investment advisory firms like CCM. These platforms provide CCM and our Clients with access to their institutional brokerage – trading, custody, reporting and related services – which are not typically available to retail customers. These broker/custodians also make 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. The broker/custodians' support services generally are available on an unsolicited basis (*i.e.*, CCM does not have to request them) and at no charge to us. Below is a detailed description of available support services:

Services that Benefit You. 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 the broker/custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. The services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. The broker/custodians also make available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist CCM in managing and administering our Clients' accounts. They include investment research of both the broker/custodian and of third parties. Currently, within the support services that is obtained by CCM from Fidelity is a Bloomberg terminal and Bloomberg's media services which provide CCM with real-time and archived financial and market data, pricing, trading, news and communication tools in a single integrated package. The cost of the Bloomberg service is paid directly by Fidelity to Bloomberg, thereby resulting in an economic benefit to CCM. CCM may use this research to service all, some or a substantial number of our Clients' accounts. In addition to investment research, we also may receive access to 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. The broker/custodians also offer 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.

The broker/custodians may provide some of these services themselves. In other cases, they may arrange for third-party vendors to provide the services to us.

Other potential benefits to CCM only may include occasional business entertainment of personnel of CCM, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. We also may receive software and other technology. While as a fiduciary CCM endeavors to act in

its Clients' best interests, CCM's recommendation that Clients maintain their assets in accounts at these broker/custodians may be based in part on the benefit to CCM of the availability of some of the foregoing products and services and other arrangements, and not solely on the nature, cost or quality of custody and brokerage services provided by the broker/custodians, which may create a potential conflict of interest.

CCM's Beneficial Interest in the Broker/Custodian's Services

The availability of these services from the broker/custodians benefits us because CCM does not have to produce or purchase them. CCM does not have to pay for such services so long as certain conditions are met. Such conditions may give CCM an incentive to recommend that you maintain your account with these broker/custodians based on our interest in receiving those 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.

In addition to the products and services described in this Item, CCM receives client referrals from Fidelity. This may also be a conflict of interest. For more information on this referral arrangement, please see Item 14 below. CCM has a soft-dollar arrangement with Fidelity for the provision of a Bloomberg terminal. The terminal is tied into real time information on a vast array of financial securities, indexes and news feeds. CCM uses the terminal to access information on a large number of securities held by our clients.

CCM believes, however, that our selection of the broker/custodians is in the best interests of our Clients. It is primarily supported by the scope, quality and price of their services (based on the factors discussed above – *see "How We Select Custodians/Brokers"*) and not the services that benefit only us.

B. Best Execution and Soft Dollar Considerations

It is the policy and practice of CCM to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, CCM will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Although CCM will strive to achieve the best execution possible for Client securities transactions, this does not require it to solicit competitive bids and CCM does not have an obligation to seek the lowest available commission cost.

To ensure that brokerage firms recommended by CCM are conducting overall best qualitative execution, CCM will periodically evaluate the trading process for the broker/custodians recommended and utilized. CCM's evaluation will consider the full range of brokerage services offered by the brokers, which may include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage,

ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation and administrative ability.

CCM's Client account custodians generally also serve as the broker of record for the Client account. All custodial fees and brokerage charges are fully disclosed on the account statements sent by the custodian to each client. Please refer to Item 12.A above and item 14.A below for a detailed description of the services and benefits received by CCM through its Clients' broker/custodians.

It is important for clients to consider and compare the significant differences between having assets custodied at a broker-dealer, bank, or other custodian prior to opening an account with CCM. Some of these differences include, but are not limited to: total account costs, trading freedom, commission rates, and security and technology services.

Section 28(e) of the Exchange Act allows investment advisers to use client commissions to pay for brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. This practice is commonly referred to as "soft dollars." Brokerage and research services may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing research information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation, political developments, legal developments, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis and performance analysis. Such research information can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management, and attending conferences. The research services provided by a broker may be proprietary (*i.e.*, provided by the broker providing the execution services) and/or provided by a third party (*i.e.*, it originates from a party independent from the broker providing the execution services).

Specifically, as mentioned above, CCM has entered into a formal soft-dollar arrangement with Fidelity who provides CCM with access to a Bloomberg terminal and Bloomberg's media services which enables CCM to monitor and analyze real-time financial market data and place trades on their electronic execution management platform.

C. Directed Brokerage

In circumstances where CCM is required to execute transactions through a specific broker (aka "Directed Brokerage"), the Client should understand that: (1) CCM will not negotiate specific brokerage commission rates with the broker on the Client's behalf or seek better execution services or prices from other broker/dealers and, as a result, the Client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case; (2) CCM may enter trade orders for the Client's account after large batched trade orders are executed for Clients at other brokerage firms, with the result that market movements may work against the Client; and (3) conflicts may arise between the Client's interest in receiving best execution with respect to transactions effected for the account and CCM's interest in receiving future Client referrals from the broker.

In some cases, CCM may, if it feels it is in the best interests of the Client, place Client trades through a prime broker or trade-away arrangement (i.e., securities are purchased or sold through an outside broker and then transferred to the Client's account). In addition to the customary trading cost, the custodial broker will charge the Client a fee for such trades.

D. Aggregation of Orders

CCM will order block trades where possible and when advantageous to Clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple Client accounts. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price.

CCM will typically aggregate trades among Clients whose accounts can be traded at a given broker and will generally rotate or vary the order of brokers through which it places trades for Clients on any particular day. When this happens, these circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, CCM has adopted certain policies and procedures that it follows when aggregating trades in an effort to provide an objective and equitable method of trade allocation so that all Clients are treated fairly. The basic objectives of these policies and procedures are as follows:

- (a) CCM will only aggregate trades when it believes that such aggregations are consistent with its duty to seek best execution for its Clients;
- (b) CCM will strive to ensure that no Client account is favored over any other Client account;
- (c) Transactions will generally be averaged as to price for each account that participates in an aggregated transaction; and
- (d) Partial fills are allocated using a rotational allocation method whereby each account will receive a full allocation in their order of priority until the entire order has been allocated. On sells, the accounts with the lowest percentage of cash will be allocated the shares first; for buys, the accounts with the largest percentage of cash will be allocated the shares first.

Considerations for the Blue Chip Investor Fund

From time to time, CCM may determine that the purchase or sale of a particular security is appropriate for multiple Client accounts, including the Blue Chip Investor Fund, based on a variety of reasons. When this occurs, the following trade rotation policy is implemented.

CCM's policy is to provide a fair and equitable method of trade rotation in placing trades for Clients' accounts, including the Blue Chip Investor Fund. For more information, please contact us at the telephone number or e-mail address listed on the cover page to this Brochure.

E. Trade Errors

CCM has trade-error policies that neither advantage nor disadvantage Clients; errors are simply corrected. When there is an error, CCM attempts to correct the error as soon as possible and make the Client whole. Soft dollar arrangements or the promise of future trade commissions cannot be used to correct errors when placing a trade for a Client's account and CCM cannot correct a trade error made in a Client's account by allocating the trade to a different account, unless that account was meant to receive the trade in the first place.

ITEM 13: REVIEW OF ACCOUNTS

Underlying securities within managed accounts are continuously monitored. Client portfolios are reviewed on a regular basis. Triggering factors for additional review include, but are not to, changes in a Client's financial situation, such as investment goals, tax considerations or change in employment. Additional reviews are also available at the Client's request.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Compensation for Client Referrals

CCM may pay referral fees to independent persons or firms ("Solicitors") for introducing Clients to CCM.

CCM enters into a written agreement with the solicitor and complies with the requirements of Rule 206(4)-3 of the Advisers Act. Compensation to the solicitor will be based upon CCM's engagement of new Clients and the retention of those Clients. Any such fee shall be paid solely from CCM's fees, and shall not result in any additional charge to the Client.

Each prospective Client who is referred to CCM under such an arrangement will receive a copy of CCM's Form ADV Part 2 and a separate written disclosure document disclosing the nature of the relationship between the third party solicitor and CCM and the amount of compensation that will be paid by CCM to the third party. The solicitor is required to obtain the Client's signature acknowledging receipt of CCM's Form ADV Part 2 and the solicitor's written disclosure statement.

CCM participates in the Fidelity Wealth Adviser Solutions Program (the "WAS Program"), through which CCM receives referrals from Strategic Advisers, Inc. ("SAI"), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. CCM is independent and not affiliated with SAI or FMR LLC. SAI does not supervise or control CCM, and SAI has no responsibility or oversight for CCM's provision of investment management or other advisory services.

Under the WAS Program, SAI acts as a solicitor for CCM, and CCM pays referral fees to SAI for each referral received based on CCM's assets under management attributable to each Client referred by SAI or members of each Client's household. The WAS Program is designed to help investors find an independent investment adviser, and any referral from SAI to CCM does not

constitute a recommendation or endorsement by SAI of CCM's particular investment management services or strategies.

More specifically, CCM pays the following amounts to SAI for referrals: For a period of seven (7) years from the date that a Client funds any Client Account(s) with CCM, CCM shall pay SAI an amount equal to an annual percentage of 0.20% of any and all assets in such Client Accounts, with such amount to be billed and collected in arrears on a quarterly basis based on the average daily balance of assets held in such Accounts during the relevant quarter. These referral fees are paid by CCM and not the Client.

To receive referrals from the WAS Program, CCM must meet certain minimum participation criteria, but Adviser may have been selected for participation in the WAS Program as a result of its other business relationships with SAI and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, CCM may have a potential conflict of interest with respect to its decision to use certain affiliates of SAI, including FBS, for execution, custody and clearing for certain Client accounts, and CCM may have a potential incentive to suggest the use of FBS and its affiliates to its advisory Clients, whether or not those Clients were referred to CCM as part of the WAS Program.

Under an agreement with SAI, CCM has agreed that it will not charge Clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, CCM has agreed not to solicit Clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred Clients other than when CCM's fiduciary duties would so require; therefore, CCM may have an incentive to suggest that referred Clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit CCM's duty to select brokers on the basis of best execution. CCM examined potential conflicts and determined that a strong working relationship with Fidelity was in the best interests of our Clients.

Prior to January 1, 2007, CCM received Client referrals from Charles Schwab through participation in Schwab's Adviser Network ("the Service"). The Service was similar to Fidelity's WAS Program. CCM continues to pay Schwab a referral fee on past referrals. The referral fee is 15% of the Client's management fees.

All referral fees paid as part of the WAS program and/or the Service represent a portion of the fees actually charged CCM for investment advisory services on behalf of the Client. There is no differential between the amount or level of investment advisory fees which CCM will charge for managing your account in excess of that which it would customarily charge for managing any other Client with similar assets and which was not referred to CCM via WAS or the Service program.

B. Other Compensation

It is CCM's policy not to accept (or allow our related persons to accept) any form of compensation—including cash, sales awards or other prizes—from a non-client in conjunction with the advisory services we provide to our Clients.

ITEM 15: CUSTODY

CCM does not have physical custody of Client accounts. Nevertheless, pursuant to Rule 206(4)-2 of the Advisers Act, CCM is deemed to have custody because the firm has the authority and ability to instruct Schwab, Fidelity, TD Ameritrade and other broker/custodians to deduct our advisory fees directly from your account. The broker/custodian maintains actual custody of your assets. Clients will receive account statements directly from the broker/custodian at least quarterly. They will be sent to the email or postal mailing address the Client provided to the broker/custodian. Clients should carefully review those statements promptly when received. CCM also urges Clients to compare the broker/custodian's account statements to the periodic portfolio reports you will receive from us. Please contact CCM with any questions.

ITEM 16: INVESTMENT DISCRETION AND LIMITATIONS

Clients hire CCM to provide discretionary asset-management services, which means we trade securities in a Client's account without contacting the Client for permission prior to each trade.

Our discretionary authority includes the ability to do the following without contacting the Client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

Clients give CCM discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. For example, investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the Client, such as restricting investment in a particular stock and/or prohibiting transactions in the securities of a specific industry.

ITEM 17: VOTING CLIENT SECURITIES

CCM votes proxies for Client accounts; however, Clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing to not vote proxies related to their account.

We vote proxies in accordance with our established policies and procedures. CCM retains a) all proxy voting records for the requisite period of time and b) copies of written Client requests enquiring how we voted proxies.

Clients may obtain a copy of our complete proxy-voting policies and procedures by contacting us at the telephone number or e-mail address listed on the cover page to this Brochure. Clients may

request, in writing, information on how proxies for his/her shares were voted. If any Client requests a copy of CCM's complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information.

We will neither advise nor act on behalf of the Client in legal proceedings involving companies whose securities are held in the Client's account(s). We may assist Clients in the filing of "Proofs of Claim" in class-action settlements.

ITEM 18: FINANCIAL INFORMATION

Under no circumstances does CCM require or solicit payment of fees in excess of \$1,200 per Client more than six months in advance of services rendered. Therefore, we are not required to include a balance sheet.

As an advisory firm that maintains discretionary authority for Client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual obligations. No such conditions currently exist.

CCM has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19: QUESTIONS

CCM's Chief Compliance Officer, Robert Hill, is available to address any questions regarding this Brochure.

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

(Information about CCM investment professionals)

Steven Check, born 1961. B.S. Electrical Engineering, Iowa State University, 1983. M.S. Engineering, University of California, Irvine, 1986. President and Chief Investment Officer. He founded Check & Associates Capital Management in 1987, which became Check Capital Management Inc. in 1990. Prior to this he was a research and design engineer at Hughes Aircraft Co.

Robert Hill II, born 1977. B.S. Business Administration, California State University, Long Beach, 2001. Chief Compliance Officer / Trading Manager. He joined Check Capital Management Inc. in April 2008. Previously, he was the Business Analyst for a nationally recognized printed-circuit-board distributor, where he researched companies to identify suitable, prospectively profitable business partners.

Jonathan "Jock" Meeks, CRPC, born 1956. B.A. Psychology, University of Wyoming, 1981. Client Services Director. He joined Check Capital Management Inc. in 2004. From 1992 to 2004 he was an Investment Consultant and Branch Manager at Charles Schwab & Co.

Christopher Ballard, CFP®, born 1973. B.A. Environmental Studies, University of California, Santa Barbara, 1995. Vice President, Senior Investment Officer. Before joining CCM in 2012, he was the Chief Investment Officer of Green Thumb Financial from 2009 to 2012. Prior to that, he was Vice President / Financial Consultant at Charles Schwab & Co. from 2002 to 2009 and a Financial Adviser with Morgan Stanley from 2000 to 2002.

Zachary Herbert, CFA, born 1982. B.A. Biblical Studies, The Masters College, 2005. Chartered Financial Analyst, 2013. Vice President, Senior Investment Officer. Prior to joining CCM in 2013, he was Portfolio Manager (and a Principal) at Trimsail Capital Management from 2011 to 2012. Before that—from 2006 through 2010—he served on both the retail and institutional sides of Charles Schwab & Co.

John Deardorff, CFP®, born 1969. B.S. Accounting, Indiana University of Pennsylvania, 1992. MBA, California State University, San Bernardino, 2002. Vice President, Senior Investment Officer. Before joining CCM in 2014, he was the Regional Vice President at Mercer Advisors from June 2013 to December 2014. Prior to that, he was Senior Investment Advisor at Integrated Wealth Management from 2012 to 2013.

Patrick Kinney, born 1973. B.S. Economics, Illinois State University, 1995. M.S. Business Administration, University of Illinois, Chicago, 2001. Vice President, Senior Investment Officer. Patrick joined CCM in October 2013. Prior to CCM, he worked at TD Ameritrade from 2009 to 2013 as an Investment Consultant. From 2005 to 2009 he worked as a Financial Planning Consultant at Fidelity Brokerage Services.

Susan Niedwick, CFP®, born 1974. B.S. Finance & B.A. French, University of Utah, 1997. Vice President, Client Services. Before joining CCM in 2015, she was a Financial Planner at Apriem Advisors from May 2012 to February 2015. Prior to that, she was and Investment Advisor Representative at Palo Capital from 2011 to 2012.

Ryan Hook, CFP®, born 1985. B.A. Economics, University of California, Irvine, 2007. Vice President, Senior Investment Officer. Before joining CCM in 2015, he was a Regional Product Specialist at SC Distributors from October 2013 to February 2015. Prior to that, he was a Senior Internal Wholesaler at Metlife Investors from 2005 to 2012.

James Waite, CRPC, born 1958. B.A. Business Administration, California State University, Fullerton, 1981. flexFolio Portfolio Manager. He joined Check Capital Management Inc. in February 2007. Prior to CCM, he worked at Charles Schwab & Co. from 1997 to 2007, as a Financial Consultant and Operations Manager. From 1992 to 1997, was Investment Services Manager at Griffin Financial.

Each of the employees above: has no reportable disciplinary history; is not engaged in any other investment-related activities; does not receive commissions, bonuses or other compensation on the sale of securities or other investment products; is not engaged in any other business or occupation that provides substantial compensation compared to his Check Capital compensation or earnings on securities investments, or involves a substantial amount of his time. All employees are supervised by Steven Check, President of Check Capital Management Inc. and Robert Hill, CCM's Chief Compliance Officer.