

COVER PAGE

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This brochure provides information about the qualifications and business practices of Woodmont Investment Counsel, LLC ("Woodmont"). If you have any questions about the contents of this brochure, please contact us at 800-278-8003. 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.

Additional information about Woodmont Investment Counsel, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Woodmont is registered with the SEC. However, this registration, while required by law, does not indicate any established or set level of skill or training on our part.

**MATERIAL CHANGES**

This section only discusses any material changes to this document, our Form ADV Part 2A disclosure document since the filing of our last annual updating amendment which was made on March 28, 2014. Since that filing, we have become affiliated with the Woodmont Partners Fund, LP for which we provide investment management services and administrative services. Please refer to the section on Advisory Business for more information on this new relationship.

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## ADVISORY BUSINESS

Woodmont was established in 2000. We provide discretionary investment management and counsel on a fee-basis only. As fiduciaries on behalf of our clients, we determine and implement investment transactions in accordance with our understanding of each client's financial circumstances and investment goals.

Client portfolios are typically balanced among equity, fixed-income and cash equivalent securities. In discretionary relationships, clients may establish restrictions on our management of their investments and we also provide non-discretionary investment management services under which we give investment advice to the client with the client responsible for acceptance and implementation of the advice.

Before we execute the first transactions for clients, we acquire a thorough understanding of their financial circumstances and investment goals. This includes the family's estate, business, tax and retirement planning, insurance needs and related matters. If we see gaps that should be addressed, we work with the client's legal, accounting and other advisers or we make referrals to those who have the necessary expertise.

After we are familiar with our clients' circumstances and goals and their ability and willingness to assume risk, we present an investment strategy and asset allocation plan tailored to their specific situation. We establish the appropriate stock/bond ratio. Within the equity component, we set diversification guidelines among various sectors including large-, mid- and small-capitalization, growth, value, and international.

For most clients, we are the sole manager. If a client has other investment managers, we adjust allocations in the Woodmont portfolio accordingly. If the client has more than one account (for example, a personal trust, an IRA and a family foundation), we establish separate investment policies for each as appropriate.

After the client approves our investment strategy, we build the portfolio using individual stocks and bonds, exchange traded funds (ETFs), no-load mutual funds and, where appropriate, alternative investments including REITs, commodities, hedge funds and limited partnerships.

As our responsibilities to our clients' require, we are familiar with general legal, tax, estate planning and accounting matters. We hope to be helpful to clients in these areas but we are not qualified to offer professional advice and clients should not assume we are providing such services at any time. Woodmont is not a trust or banking institution and we do not provide trust services but we can recommend trust services to clients who need them.

As a client, you may be in a "wrap fee" arrangement with a brokerage firm. With a wrap fee, a brokerage firm may recommend retention of Woodmont to manage all or a portion of your assets; pay a fee for our services; monitor and evaluate our services in managing your assets; execute securities transactions which we implement on your behalf; and provide custodial services for your assets, or the brokerage firm may provide any combination of these services, for a set fee to be paid by you to the brokerage firm.

Under a wrap fee arrangement, we manage assets in the same manner as for our clients not in a wrap fee. You should understand that depending upon the amount of the wrap fee the brokerage firm charges, the number of securities transactions in your account, the value of custodial or other services you will receive under the arrangement, the amount of the wrap fee may or may not be less than the total cost for such services added together if you obtained them separately. Therefore such arrangements may not be suitable for all clients. You can find more specific information on each wrap fee arrangement in the Wrap Fee Program Brochure which should be available to you by the wrap fee arrangement sponsor. Woodmont does not act as a sponsor of any wrap fee arrangement.

Woodmont will also provide investment management services and related administrative services to the Teleion Fund I, LP, a Delaware limited partnership through a written agreement between Woodmont and the partnership. Woodmont and one of its employees are affiliated through an ownership interest with Teleion Partners I, LLC, the general partner of the partnership as well as serving as investment manager to the partnership. Investments in the partnership are only suitable for certain qualified clients for whom a partnership investment may be more suitable than would a separate advisory account managed by Woodmont. The investment partnership will be managed in such a way as to meet the investment goals of the partnership, rather than the individual needs of any particular investor in the partnership.

Woodmont and its employees will devote to the Teleion Fund I, LP as much time as we deem necessary and appropriate. Woodmont and its affiliates or employees are not restricted from forming additional investment partnerships, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Teleion Fund I, LP or may involve substantial time and resources of Woodmont and our employees. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our employees will not be devoted exclusively to providing services to the Teleion Fund I, LP or to our other clients, but will be allocated between providing services to the Teleion Fund I, LP and our other clients.

The Teleion Fund, LP is not required to register as an investment company under the Investment Company Act of 1940 in reliance upon an exemption available to such investment partnerships whose securities are not publicly offered as well as other restrictions. Woodmont manages the Teleion Fund I, LP on a discretionary basis in accordance with the terms and conditions of the offering and organizational documents of the Teleion Fund I, LP.

Woodmont will also provide investment management services and related administrative services to the Woodmont Partners Fund, LP, a Delaware limited partnership through a written agreement between Woodmont and the partnership. Woodmont is affiliated through ownership with WIC-WP, LLC the general partner of the partnership as well as serving as investment manager to the partnership. Investments in the partnership are only suitable for certain qualified clients for whom a partnership investment would be more suitable. The investment partnership will be managed in such a way as to meet the investment goals of the partnership, rather than the individual needs of any particular investor in the partnership.

Woodmont and its employees will devote to the Woodmont Partners Fund, LP as much time as we deem necessary and appropriate. Woodmont and its affiliates or employees are not restricted from forming additional investment partnerships, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Woodmont Partners Fund, LP or may involve substantial time and resources of Woodmont and our employees. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our employees will not be devoted exclusively to providing services to the Woodmont Partners Fund, LP or to our other clients, but will be allocated between providing services to the Woodmont Partners Fund, LP and our other clients.

The Woodmont Partners Fund, LP is not required to register as an investment company under the Investment Company Act of 1940 in reliance upon an exemption available to such investment partnerships whose securities are not publicly offered as well as other restrictions. Woodmont manages the Woodmont Partners Fund, LP on a discretionary basis in accordance with the terms and conditions of the offering and organizational documents of the Woodmont Partners Fund, LP.

The principal owners of Woodmont Investment Counsel are Scott Burns who is the managing principal and portfolio manager, James Conner who is a principal and portfolio manager, Stephen Frohsin who is a principal and portfolio manager, Will Ed Settle who is a principal and portfolio manager and Paul Kuhn. As of December 31, 2014, Woodmont managed \$637,880,322 of which \$612,426,644 was in discretionary assets and \$25,453,678 in non-discretionary assets.

## **FEES AND COMPENSATION**

We are compensated for investment advisory services by charging a management fee based on the market value of assets under our management.

Our fee schedule for equity or balanced portfolios in which equities consist primarily of individual stocks is:

First	\$2,000,000	0.90%
Next	\$3,000,000	0.80%
Above	\$5,000,000	0.55%

Our fee schedule for fixed-income portfolios is:

First	\$2,000,000	0.40%
Next	\$3,000,000	0.35%
Next	\$5,000,000	0.25%
Above	\$10,000,000	0.20%

Fees are charged at inception and then billed quarterly in advance based upon the market value of the assets at the end of the preceding quarter. If your relationship begins or ends during a

calendar quarter, your fee will be prorated for the appropriate number of days completed or remaining in the quarter and, where applicable, you will be issued a refund for the portion of your quarterly fee paid in advance which was unearned. You may terminate your Woodmont relationship at any time upon 30 days notice.

We may negotiate fees depending upon circumstances including but not limited to account composition and complexity as well as family relationships and other expenses we know the client is incurring (such as trustee fees). This may result in different fees for client accounts similar in composition and objectives.

You can pay your fee directly upon receipt of our invoice or you may authorize your custodian to allow Woodmont to directly debit your account. (In either case, we send a quarterly fee statement as well as an annual fee summary.) If you choose the latter method, your custodian will not confirm our fee. Your statements from your custodian will include the amount of the fee sent to us. You should confirm the accuracy of our fee calculation upon receipt of your custodian's statement.

The fees you pay Woodmont do not include brokerage commissions or other charges associated with securities transactions implemented with or through a brokerage firm, mark-ups or mark-downs in principal transactions, deferred sales charges, odd-lot differentials, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation all of which will be charged to you in addition to our fee. We receive no portion of these expenses or fees and we have a mutual interest in eliminating or minimizing these charges. You should go to the section on Brokerage Practices in our brochure for more information on how we recommend brokerage firms for your securities transactions and information related to that process.

Mutual funds and exchange traded funds in which your assets may be invested impose investment management fees and other operating expenses which are described in the fund's prospectus. You pay these fees and expenses separately from the fee you pay us. As noted above, we have a mutual interest in minimizing these costs.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Teleion Partners I, LLC, the general partner for the Teleion Fund I, LP, may receive a performance-based allocation, to the extent allowed by law, from the Teleion Fund I, LP, a private investment partnership also referred to as a "hedge fund". This allocation to the general partner, provided certain investment goals are met, would be calculated based on a share of capital gains on or capital appreciation of the assets of the investment partnership. An affiliated company, which is wholly owned by Woodmont, and one of Woodmont's owners individually are the members of the general partner. Therefore, any performance-based allocation, if earned, would be received by Woodmont and the individual owner. Woodmont also serves as investment manager of the investment partnership and receives fees for its investment manager services and related administrative services which are more fully described in the

investment partnership's offering memorandum and related documents. Investments in the investment partnership are only suitable for certain qualified clients.

Side-by-Side Management refers to multiple client relationships where an investment adviser such as Woodmont manages advisory client relationships and portfolios for individuals, businesses, institutions and, on a simultaneous basis, for mutual funds or for investment partnerships such as the Teleion Fund I, LP. In such circumstances, potential conflicts of interest may arise by and between Woodmont, its clients and the mutual funds or investment partnerships due to the performance allocation arrangements as described above in this section which Woodmont or its affiliates or employees may receive from its management of the Teleion Fund I, LP but not from its services to its other clients.

Clients, including investors in the Teleion Fund I, LP, should understand that a performance-based allocation creates an incentive for an investment adviser such as Woodmont to recommend investments which may be riskier or more speculative than those which would be recommended under a different arrangement. Also, because the performance allocation is calculated on a basis which includes unrealized as well as realized appreciation of assets, it may be greater than if such compensation were based solely on realized gains.

Also, because of the performance allocation arrangement, Woodmont has an incentive to favor performance-based accounts over non-performance-based accounts and therefore an incentive to favor the Teleion Fund I, LP which may pay the higher performance-based allocation and in which Woodmont or its employees may have their personal assets invested over a client paying non-performance-based fees or allocations.

However, Woodmont seeks at all times to put the interests of our clients first so we take the following steps to address these conflicts:

We disclose to investors and prospective clients the existence of material conflicts of interest, including the potential for Woodmont and its affiliates or employees to earn more compensation from some clients than others;

We collect, maintain and document accurate, complete and relevant investor background information to ensure that investment in the Teleion Fund I, LP is appropriate for each investor's financial goals, objectives and risk tolerance and that each investor is qualified to invest in the Teleion Fund I, LP;

We have implemented written policies and procedures for fair and consistent allocation of investment opportunities among all clients and the Teleion Fund I, LP, where applicable, subject to appropriate considerations;

We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment; and

We educate our employees regarding our responsibilities to our clients, including the equitable treatment of all clients, regardless of the fee arrangement.

## **TYPES OF CLIENTS**

Woodmont clients include individuals, trusts, estates, charitable organizations, retirement plans, and corporations and similar business organizations. Generally, our minimum account size for equity or balanced accounts is \$750,000 and for fixed-income accounts it is \$1,000,000 although this may be waived based on other considerations such as the account's relationship to established clients or other factors.

Woodmont also provides investment advisory services to certain pooled investments such as the Teleion Fund I, LP and the Woodmont Partners Fund, LP as described above in the section on Advisory Business and Performance-Based Fees and Side-by-Side Management.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

In analyzing securities, we utilize research from both publicly available and private sources but all investment decisions on behalf of our clients are our own.

We believe in broad diversification among liquid assets (primarily cash, fixed-income and equity securities), minimizing investment expenses and controlling taxes for taxable accounts. Our strategy and asset allocation for each client is based on each client's circumstances and goals. Our understanding of a client's financial situation typically includes their estate planning and insurance needs as well as retirement expectations.

The risk of loss varies with the risk profile and asset allocation of each portfolio but can be substantial for more aggressive portfolios. Cash equivalents present little or no risk of loss of principal but offer no protection from the erosive impact of inflation. Fixed-income securities generally provide a reliable income stream but their fixed value will be eroded by inflation and they offer little or no likelihood of capital appreciation. Equity securities in general offer both more risk and greater potential for meaningful long-term capital appreciation.

The investment strategies we use in managing the Teleion Fund I, LP and the Woodmont Partners Fund, LP as well as a description of the risk factors to be considered by potential investors, are set out in the offering memorandum and related documents for each which are provided to those investors who are qualified to make an investment in these investment vehicles prior to their making such an investment.

## **DISCIPLINARY HISTORY**

This section does not apply to Woodmont or its employees.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We are not affiliated with any other organization other than our relationship with the Teleion Fund I, LP, its general partner, Teleion Partners I, LLC and the Woodmont Partners Fund, LP and



its general partner, WIC-WP, LLC which is described above, including certain conflicts of interest, in the sections on Advisory Business and Performance-Based Fees and Side-by-Side Management.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Woodmont has adopted a written Code of Ethics under which our employees are generally restricted from security transactions in their personal accounts without approval by our chief compliance officer or his designee in order to avoid conflicts of interest with transactions in client accounts.

Our employees may buy or sell the same securities we recommend that our clients invest in or that we purchase or sell on our clients' behalf. This presents a conflict of interest between our employee's own financial interest and the best interests of our clients. We have addressed this conflict of interest by imposing trading restrictions under the Code of Ethics described above in this section.

We prohibit employees from buying or selling individual securities in their personal accounts at the same time or on the same day as the same securities are being recommended to, or bought and/or sold for, our clients absent approval as described in the Code of Ethics. There are certain exceptions from the pre-clearance requirements for transactions which we believe do not present a conflict of interest between our employees and our clients such as where the employee(s) receive the same averaged price and incur the same proportional transaction costs as our clients.

Pre-approval must also be obtained by employees before investing in initial public offerings of securities and before investing in a private placement of securities. All employees are required to submit quarterly reports relating to their personal transactions and an annual report of their personal securities holdings to us. Our Code of Ethics also contains policies and procedures which are intended to prevent the misuse of material non-public information. A copy of our Code of Ethics is available to you upon request by contacting us through the contact information provided on the Cover Page of this brochure.

## **BROKERAGE PRACTICES**

Woodmont considers the following factors in selecting or recommending brokerage firms for our clients' transactions and in determining the reasonableness of the compensation or other remuneration paid to the brokerage firms:

Trade Implementation

Costs

Quality of Support Services and Technology Provided

Value of Research and Related Information Provided

Market Liquidity Provided

Trade Execution Breadth

Financial Stability

Ability to Execute Difficult Trades

We periodically review our brokerage practices and the reasonableness of compensation or other remuneration paid to brokerage firms and monitor our efforts to seek best execution of client transactions.

With the exception of Prime Brokerage transactions explained below, Woodmont clients select the broker or bank custodian that holds their cash and securities and through whom we execute transactions. We can work with any reputable brokerage firm or bank but prefer to utilize a discount brokerage firm like Charles Schwab & Co., Inc. ("Schwab," a FINRA-registered broker-dealer, member SIPC). Woodmont is independently owned and operated and not affiliated with Schwab.

Schwab provides us with access to its institutional trading and custody services which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional and are not otherwise contingent upon our committing to Schwab any specific amount of business such as assets in custody or trading commission. These services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts maintained by our clients.

Schwab Institutional also makes available to us other products and services that benefit us but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services that may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to us. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. Schwab Institutional may also provide other benefits to our employees such as educational events or occasional business entertainment.

In evaluating whether to recommend or require that our clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest since our recommendation that our clients maintain accounts at Schwab may be based in part on the availability to Woodmont of all or some of the products or services described above.

**Directed Brokerage:** We routinely recommend, request or require that our clients instruct us to execute transactions through a brokerage firm which may be specified by us such as Schwab. Not all investment advisory firms such as us require their clients to do this. The brokerage firm(s) we specify may provide us with economic benefits. This creates a conflict of interest on our part by recommending, requesting or requiring that you execute transactions through the brokerage firm. We will also execute transactions through a particular brokerage firm as a result of your decision to direct us to execute transactions through the particular brokerage firm. Either way, we may be unable to achieve the best execution of your transactions which means that the execution costs you pay may be higher than could otherwise be achieved since you will be responsible for negotiating the commission rates you pay, not us.

You should be aware that our inability to negotiate commissions, obtain volume discounts means that transactions in accounts directed by you to a particular brokerage firm may result in higher commissions, greater spreads or less favorable net prices than would otherwise be the case. Therefore, disparities in commission charges for similar transactions in accounts in different clients of ours may exist and that there is a conflict of interest arising from such directed brokerage practices. We address this conflict of interest through use of our commission allocation process where we review the reasonableness of commission rates used to obtain brokerage and research services and products described above.

You should be aware that transactions for accounts which we have been instructed by you, or by the brokerage firm in the event of a wrap fee arrangement, to direct to a specified brokerage firm may be placed subsequent to transactions we enter for client accounts such as Schwab where we have specified the brokerage firm through which you direct us to execute transactions for you. This may result in less favorable execution for those accounts where we have not specified the brokerage firm through which you direct us to execute transactions.

**Fund and Managed Account Overlap Policy:** The Fund's manager and Woodmont's Portfolio managers monitor the respective equity holdings for the Fund and Woodmont's individual accounts. The same equity securities are not generally traded for the Fund and Woodmont's individual accounts. In the event both the Fund and Woodmont's accounts intend to trade the same equity securities on the same day, a rotating schedule will be used as to determine whether the Fund or Woodmont's individual accounts will trade on that day or wait until the next day. A review of this process will be conducted by Woodmont on a quarterly basis to identify any significant disparities indicative of favorable treatment.

**Blocked Transactions and Prime Brokerage:** We may group or block orders from time to time for the same security for more than one client account in order to more effectively execute the orders. This is known as a "block transaction". This process can create trading efficiencies, prompt attention to the order and improved price execution because the block transaction may be executed at various prices but averaged as to price. Therefore, clients whose transactions are part of the block transaction will receive the same average price and trading costs. Personal transactions of our employees may be included in such block transactions.

Where such block transactions are not fully executed, we will seek to allocate the executed portion of the block transaction on a basis which we consider fair to our clients over time. Generally, this will mean a pro-rata allocation or allocation on a rotational basis although we may, in certain circumstances, allocate purchases or sales on some other basis, after consideration of factors such as the taxability of the account, cash available for investment, asset mix of the account, objectives and restrictions of the account, company and industry concentrations, broker designations specified by the client, size of execution versus the total order size, and partial positions versus full positions. Any employee transactions will be excluded from block transactions which are not fully executed.

When we trade away from the custodian that holds the client's securities in order to obtain better execution, this is a Prime Brokerage trade. Typically, the custodian broker charges a fee (at Schwab, the fee is \$15) but we utilize Prime Brokerage only when we believe the savings to our clients will exceed the Prime Brokerage fee, often by a substantial amount.

**Cross Transactions:** Generally, we do not buy or sell securities from one client account managed by us to another client account managed by us, referred to as a "cross transaction" although we may, from time to time, make an exception but will do so only when we have a reasonable belief that best execution can be achieved for all clients involved in the transaction and subject to all requirements for these transactions. We receive no fees or commission from these transactions.

**Trade Errors:** Errors in executing client transactions may occur from time to time which we will seek to correct on a timely basis so that you will not incur a loss or other costs as a result of any such errors. Any loss or costs incurred as a result of the correction of such errors will be borne by us or by your broker/custodian while any market gains resulting from the correction of such errors will usually be retained by your broker/custodian or by you.

Clients who maintain custody of their securities at Schwab will not be charged separately for custody but Schwab will receive compensation from our clients in the form of commissions or through transaction-related compensation on securities transactions executed through Schwab. Schwab also will receive a fee for clearance and settlement of transactions executed through brokerage firms other than Schwab. Schwab's fees for transactions executed at other brokerage firms are in addition to the other brokerage firm's fee. Thus, we will have an incentive to cause transactions to be executed through Schwab rather than through another brokerage firm although we understand we have a duty to seek best execution of our clients' transactions.

Transactions for accounts maintained at Schwab may be executed through a different brokerage firm than trades for our other clients so transactions in accounts maintained in custody at Schwab may be executed at different times and different prices than transactions in client accounts that are executed at other brokerage firms.

## **REVIEW OF ACCOUNTS**

Client portfolios are reviewed regularly on the basis of the client's investment objectives and our investment strategies by the individual portfolio manager with primary responsibility for the account. Securities holdings are monitored frequently, through software applications and other means which enables us to regularly evaluate positions across all client accounts. These reviews are conducted by our four portfolio managers: Scott Burns, James Conner, Stephen Frohsin and Will Ed Settle. Factors which may trigger more frequent reviews include changes in client investment objectives or circumstances such as retirement or a large contribution or withdrawal to or from an account, significant developments or events specific to a particular security held in the account, or significant market, economic or political developments.

We provide written reports concerning your account(s) with us on at least a quarterly basis. These reports include details of the date of purchase and cost basis for each security as well as market value and income yield and the current and historical account performance for the account, separated by asset classes and possibly grouped with other accounts related to you. The report you receive from us will track all activity including income earned, contributions, withdrawals and capital gains. This report will also include an invoice for our quarterly fee. If you are involved in a wrap fee arrangement as described in the section on Advisory Business, you may receive reports including those assets of yours for which we are providing services directly from the brokerage firm which created the wrap fee arrangement. You should also receive written reports directly from your custodian concerning your account(s) which generally contains information relating to all transactions and other account activity.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

We may from time to time enter into written agreements with other persons or companies who refer potential clients to us in exchange for a referral or solicitor fee which typically is a percentage of the fee we receive from the referred client for our services. This means that the persons or companies who refer potential clients to us as described will have a financial interest in your selecting us to provide you services. If you are referred to us through an arrangement

like this, you will receive a written document which will disclose that we have an arrangement with the solicitor, any affiliation between us and the solicitor, and a description of the compensation the solicitor will receive from us if you establish an account with us. The fee we charge you for our services will not be increased as a result of our use of these referral arrangements.

Please refer to the section on Brokerage Practices in our brochure for information on other economic benefits we may receive for providing services to you.

## **CUSTODY**

In addition to any account statements you may receive from us, you will receive account statements directly from your custodian on at least a quarterly basis although you may receive them on a monthly basis. You should carefully review these statements and compare these statements to statements you receive from us for any discrepancies. You should also remember that the statements you receive from your custodian are your official record of your accounts and assets for tax purposes.

## **INVESTMENT DISCRETION**

We will accept discretionary investment authority over your assets if you agree to such an arrangement. This is typically accomplished through execution of a limited trading authority or similar written authority contained in your client agreement with us or through similar authority contained in a wrap fee arrangement you may execute with the brokerage firm which established the wrap fee arrangement.

When executing your client agreement with us, you can limit the extent of discretionary investment authority to be granted to us although this may impact the level of services we can provide you. You may also place restrictions on our authority such as instructions not to make investments in certain industries or to not sell certain investments you may have due to possible adverse tax consequences to you.

## **VOTING CLIENT SECURITIES**

We will not vote proxies or render any advice on proxies solicited by or with respect to certain investments in your account except as otherwise required by the particular account in which case our voting policy is to vote with the management recommendations of the particular company. We maintain any required records. We will not take any action or render any advice on investments in your accounts which become subject to class actions or relation litigation although we may provide you limited assistance upon request on an informal basis. We will not forward you any proxy or litigation materials we receive inadvertently, electronically or otherwise, but you should contact your custodian directly and instruct it to make arrangements for your proxy or litigation materials to be forwarded directly to you or your representative.

## **FINANCIAL INFORMATION**

This section does not apply to us as we have never filed for bankruptcy nor are we subject to any financial conditions which could impair our ability to meet our obligations to you.