



**PAULEYFINANCIAL**  
*Helping people make important life choices*

**Part 2A of Form ADV: *Firm Brochure***

**Pauley Financial**

4509 St. Clair Court  
Flower Mound, TX 75022

Telephone: 512.215.4009  
Email: [bcox@pauleyfinancial.com](mailto:bcox@pauleyfinancial.com)  
Web Address: [www.pauleyfinancial.com](http://www.pauleyfinancial.com)

July 2015

This brochure provides information about the qualifications and business practices of Pauley Financial Services, Inc. ("Pauley Financial"). If you have any questions about the contents of this brochure, please contact us at 512.215.4009, or [bcox@pauleyfinancial.com](mailto:bcox@pauleyfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Pauley Financial is registered with the Securities and Exchange Commission. Registration with a regulatory body does not imply any special skills or training.

Additional information about Pauley Financial also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2     Material Changes**

The firm has added another advisor and registered with the Securities and Exchange Commission. The additional advisor's brochure supplement is available upon request.

## Item 3 Table of Contents

<b>Contents</b>	<b>Page</b>
Item 2 Material Changes .....	2
Item 3 Table of Contents .....	3
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	7
Item 6 Performance-Based Fees and Side-By-Side Management .....	9
Item 7 Types of Clients .....	9
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 Disciplinary Information.....	11
Item 10 Other Financial Industry Activities and Affiliations .....	11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	11
Item 12 Brokerage Practices .....	12
Item 14 Client Referrals and Other Compensation .....	15
Item 15 Custody .....	15
Item 16 Investment Discretion .....	16
Item 17 Voting Client Securities .....	16
Item 18 Financial Information .....	17

## Item 4 Advisory Business

Pauley Financial is a registered investment adviser with its principal place of business located in Texas. Pauley Financial began conducting business in 1996.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Ross Douglas Pauley
- Kim Victoria Pauley

Pauley Financial offers the following services to you:

### CAPITAL MANAGEMENT SERVICE

This service includes:

- Financial goal planning and tracking
- Debt management
- Cash flow planning
- Employee benefits reviews and recommendations
- Retirement account planning and recommendations
- Insurance needs analysis and recommendations
- Tax strategy planning and integration with portfolio management (Note: Since the Advisor is not a Tax Attorney, Certified Public Accountant or Enrolled Agent, the firm cannot offer accounting or specific tax advice. The tax strategy planning is intended to identify planning opportunities. Any suggestions made should be discussed with a tax advisor prior to implementation.)
- Estate plan integration (Note: Since the Advisor is not an attorney and cannot offer legal advice or prepare legal documents, the estate planning is intended to help identify gaps and/or planning opportunities as well as integrating your estate plan into your financial plan. Any suggestions made should be discussed with an attorney prior to implementation.)
- Investment planning
- Portfolio volatility tolerance determination
- Asset allocation
- Specific investment recommendations
- Rebalancing recommendations
- Implementation and plan maintenance support
- Ongoing access to the Advisor for the planning areas delineated above in this section.
- Account establishment and/or account transfer assistance

- Ongoing portfolio monitoring
- Asset allocation and transaction recommendations
- Quarterly reports
- Coordination with Client's other advisors

Investment services are provided on a non-discretionary basis and discretionary basis. Discretion is agreed upon at inception of the client relationship. For discretionary accounts, no transactions will be made without the Client's prior approval.

#### **FINANCIAL CONSULTING SERVICE (HOURLY SERVICE)**

This is an hourly consultation service billed at \$300/hour monthly in arrears.

#### **FINANCIAL CONSULTING SERVICE (FIXED PROJECT FEE)**

This is a project-based consultation service which Client and Advisor have mutually agreed to a flat rate which will depend on the scale and scope of the project.

#### **FINANCIAL CONSULTING SERVICE (CLIENT'S YOUNG ADULT DEPENDENT CHILD)**

This service includes:

- Asset Allocation
- Investment recommendations and trade execution for accounts held at TD Ameritrade (TDA)
- TDA Account Set-Up/Processing
- Reporting includes TD Ameritrade statements and access to TD Ameritrade online platform for both parents/legal guardian and child
- Recommendations on 529s

#### **FINANCIAL CONSULTING SERVICE (CLIENT'S YOUNG ADULT INDEPENDENT CHILD)**

This service includes:

- Goals Plan
- Asset Allocation
- Investment Recommendations and trade execution for accounts held at TD Ameritrade (TDA)
- TDA Account Set-Up/Processing
- Reporting includes TD Ameritrade statements and access to TD Ameritrade online platform

100 Congress Avenue | Suite 2000 | Austin, TX 78701 | *austin* 512.215.4009 | *dallas* 214.295.5541 | *san antonio* 830.832.3081 | *fax* 512.697.8302

AUSTIN | DALLAS | SAN ANTONIO

- for Adult Independent Child Household
- Recommendations on 529s

## **RETIREMENT PLAN INVESTMENT ADVISORY CONSULTING**

This service includes:

- Recommending a diverse selection of exchange traded funds and/or mutual funds with different expected volatility and return levels
- Selecting, monitoring and changing exchange traded funds and/or mutual funds included in the investment options offered to Plan Participants
- Assisting the Plan Representatives in establishing a relationship with an independent, qualified record-keeper on behalf of the Plan (the “Record-Keeper”)
- The Adviser shall serve as an investment manager of the Plan as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), when it is providing the services described above and acknowledges that it is a fiduciary to the Plan in providing such services
- Meet with Plan Participants on a biannual basis to answer questions about the selection of funds provided and to help employees onboard to the Plan

## **Terms of Service**

The Client agrees to furnish all information required by the Advisor to perform the agreed upon services. This entails not only the information required for the initial plans but changes to that information as it occurs so the Advisor can ensure the timely update and integration of the Client’s Financial Plan and Investment Plan. Without being advised of changes in the Client’s situation, the Advisor will be unable to fulfill the services as agreed upon.

All analyses and recommendations will be on a “best effort” basis, based upon the information submitted by the Client or the Client’s advisors. The Client may either follow or disregard wholly or partially any information, recommendation, or advice given by the Advisor.

## **Assets Under Management**

As of 12/31/2014, we were actively managing approximately \$103,956.751 of clients' assets on a non-discretionary basis.

## Item 5 Fees and Compensation

The account value for each account in the portfolio is determined by the account custodian(s) at market close on the last day of the quarter. The portfolio value does not include: savings bonds, insurance cash values, real estate rental properties, Client's residence and/or other homes, or defined benefit retirement plans. Fees are payable quarterly in arrears. Under certain circumstances fees may be negotiable.

### CAPITAL MANAGEMENT SERVICE

#### Fees – Portfolio Scaled Fees

Portfolio Value	Quarterly Rate	Equivalent Annual Rate
< \$1,000,000	0.25%	1.00% plus
\$1,000,000 through \$3,000,000	0.20%	0.80% plus
\$3,000,000 through \$6,000,000	0.1625%	0.65% plus
\$6,000,000 through \$9,000,000	0.125%	0.50% plus
> \$9,000,000	0.09375%	0.375%

The account value for each account in the portfolio is determined by the account custodian(s) at market close on the last day of the quarter. The portfolio value does not include: savings bonds, insurance cash values, real estate rental properties, Client's residence and/or other homes, or defined benefit retirement plans. Fees are payable quarterly in arrears. To cover the cost of the extensive amount of time and effort the firm devotes to developing the initial investment plan for new entities, Pauley Financial will assess a one-time New Client Set-Up Fee of \$1,750 per entity fee that is due at the inception of the engagement.

**New Client Set-Up Fee:** \$1,750

**Minimum Quarterly Fee:** \$3,125; quarterly fees are deducted directly from custodian accounts

**Minimum Term of Agreement:** Six quarters

### FINANCIAL CONSULTING SERVICE (HOURLY SERVICE)

This is an hourly consultation service billed at \$300/hour monthly in arrears.

## **FINANCIAL CONSULTING SERVICE (FIXED PROJECT FEE)**

This is a project-based consultation service which Client and Advisor have mutually agreed to a flat rate which will depend on the scale and scope of the project.

## **FINANCIAL CONSULTING SERVICE (CLIENT'S YOUNG ADULT DEPENDENT CHILD)**

**New Client Set-Up Fee:** \$850 (includes first year's service)

**Subsequent years:** \$350 fee (price subject to annual increase) for one annual update meeting with trade recommendations and rebalancing

The FCS Hourly Service will apply for those items which fall beyond the scope of the service definition.

## **FINANCIAL CONSULTING SERVICE (CLIENT'S YOUNG ADULT INDEPENDENT CHILD)**

**New Client Set-Up Fee:** \$1,750 (includes first year's service)

**Subsequent years:** \$825 fee (price subject to annual increase) for one annual update meeting with trade recommendations and rebalancing

The FCS Hourly Service will apply for those items which fall beyond the scope of the service definition.

***Termination of the Advisory Relationship:*** The engagement continues in effect until terminated by either party by written notice to the other with 30 days advance notice. Termination will not affect (i) the validity of any action previously taken by us; (ii) liabilities or obligations of the parties from transactions initiated before termination of this agreement; or (iii) your obligation to pay advisory fees (minimum of six quarters for Capital Management Service; or, prorated through the date of termination if the minimum requirement is met).

***Mutual Fund & Exchange Traded Fund (ETF) Fees:*** All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, money market funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. You could invest in a mutual fund directly or an ETF through a brokerage account, without our services. In that case, you would not receive the services provided by our firm which are designed, among other things, to assist you in determining which mutual fund or ETF is most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and our fees to fully understand the total amount of fees you would pay and evaluate the advisory services we provide.

***Additional Fees and Expenses:*** In addition to our advisory fees, you are also responsible for the fees



and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, wire transfer and electronic fund fees, transfer fees and any transaction charges imposed by a broker-dealer with which we effect transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to our minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements and rates will differ among clients.

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

Pauley Financial does not charge performance-based fees nor engage in side by side management.

## **Item 7 Types of Clients**

Pauley Financial provides advisory services to the following types of clients:

- High net worth individuals and their families
- Individuals
- Charitable organizations
- Pension and profit sharing plans
- Private businesses

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to your investment goals and risk tolerance.

A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for your goals.

**Mutual Fund and/or ETF Analysis.** We look at the track record of the mutual fund or ETF in an

100 Congress Avenue | Suite 2000 | Austin, TX 78701 | *austin* 512.215.4009 | *dallas* 214.295.5541 | *san antonio* 830.832.3081 | *fax* 512.697.8302

AUSTIN | DALLAS | SAN ANTONIO

attempt to determine if that fund tracks appropriately with its index.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for your portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

Our advice generally includes recommendations regarding the following securities:

- Exchange-listed securities
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- Exchange-traded funds (ETFs)

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with your stated investment objectives, tolerance for risk, liquidity and suitability.

We use the following strategy(ies) in managing your account(s), provided that such strategy(ies) are appropriate to your needs and consistent with your investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in your account for a year or longer. Typically we employ this strategy when we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may

not take advantage of short-term gains. Moreover, a security may decline sharply in value before we make the decision to sell. You are reminded that investing in any security entails risk of loss you must be willing to bear.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our management personnel have no reportable Industry Activities nor Affiliations to disclose.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Pauley Financial and our personnel owe a duty of loyalty, fairness and good faith towards our 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.

Our Code of Ethics includes policies and procedures for the review of quarterly personal 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 participation in an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to you and prospective clients upon request and at no charge.

Our Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. Either of these policies creates a potential conflict of interest with our clients, which we are mitigating through our personal trading policy and monitoring of personal securities trades.

To avoid the possibility of front-running, it is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to sanctions including termination of employment with the firm.

## **Item 12 Brokerage Practices**

Pauley Financial has elected to use a single custodian with which to serve clients, TD Ameritrade. Our decision is based on analysis of TD Ameritrade's discounted commission structure, the availability of mutual funds with no transaction fee, trading platforms, electronic reporting, online access for our clients, and financial stability. Not all investment advisors require their clients to open their accounts with a specific custodian. Our choice of one custodian through which we execute our trades may affect our ability to achieve the most favorable execution of your transactions, potentially

increasing costs. In recommending TD Ameritrade as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum their:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of a broker-dealer/custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for your account.

We participate in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC /NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program.

We participate in TD Ameritrade's Institutional customer program and we recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients. Along with you, we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds and Exchange Traded Funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, and technology.

Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade.

The benefits we receive through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that our receipt of economic benefits creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services. Pauley Financial may encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade.

TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between TD Ameritrade and Pauley Financial.

Pauley Financial receipt of these benefits does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

As a matter of policy and practice, Pauley Financial does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price. Additionally, our clients may not receive volume discounts available to advisers who block client trades. Many investment advisors do aggregate, or block trades for you.

## **Item 13    Review of Accounts**

### **CAPITAL MANAGEMENT SERVICE**

**REVIEWS:** While the underlying securities within all of our Capital Management Service client accounts are monitored on an ongoing basis, client accounts are reviewed quarterly at a minimum. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, and the political or economic environment. Additionally, we are happy to review the client's portfolio at any time upon his/her request. These accounts are reviewed by: Douglas Pauley, Brian Cox, and/or Kimberly Pauley.

**REPORTS:** In addition to the written or electronic monthly statements and confirmations of transactions that portfolio management services clients receive from their broker-dealer, we provide written quarterly reports summarizing account balances and holdings.

### **FINANCIAL CONSULTING SERVICE (FCS)**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

100 Congress Avenue | Suite 2000 | Austin, TX 78701 | *austin* 512.215.4009 | *dallas* 214.295.5541 | *san antonio* 830.832.3081 | *fax* 512.697.8302

AUSTIN | DALLAS | SAN ANTONIO

**REPORTS:** Pauley Financial does not provide written reports for clients who utilize this service except as contracted for.

## **RETIREMENT PLAN INVESTMENT ADVISORY CONSULTING**

**REVIEWS:** While the underlying funds within all of our Retirement Plan Investment Advisory Consulting client accounts are monitored on an ongoing basis, retirement plans are reviewed quarterly at a minimum. More frequent reviews may be triggered by material changes in the funds, the market, and the political or economic environment. Additionally, we are happy to review the plan upon the request of company management.

These accounts are reviewed by: Douglas Pauley, Brian Cox, and/or Kimberly Pauley.

**REPORTS:** Reports are to be provided by the plan participants' record keeper.

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

It is our policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is our 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 other than benefits discussed above in Item 12.

## **Item 15 Custody**

An investment advisory firm has custody of client funds or securities when it has the authority to access either. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts, giving us a nominal form of custody of our clients' funds. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

In addition to the periodic written statements that clients receive directly from their custodians, we also send written account statements directly to our Capital Management Service (CMS) clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements with those the clients receive from their custodian to ensure that all account transactions, holdings and values are correct and current.

100 Congress Avenue | Suite 2000 | Austin, TX 78701 | *austin* 512.215.4009 | *dallas* 214.295.5541 | *san antonio* 830.832.3081 | *fax* 512.697.8302

AUSTIN | DALLAS | SAN ANTONIO

Certain clients have granted us online access to accounts not custodied at TD Ameritrade such as their 401(k) plan or their 403(b) plan. Depending on the sites capabilities, this access may allow us to make changes to beneficiaries, address, contribution amounts or investment elections; however, we do not alter account holdings without express, prior authorization from the client. We have these accounts reviewed annually through surprise exam by a non-related third party accounting firm. These accounts are considered discretionary since the firm has access to the accounts and are therefore included in our reported discretionary AUM.

Clients also may provide login information to us or directly themselves link other accounts (not managed by Pauley Financial) to their financial plan which they may access directly via their MoneyGuidePro login. The third party tool used to provide this account aggregation functionality through MoneyGuidePro is called Yodlee. Clients may choose to link other assets or liabilities, credit cards, insurance or frequent flier accounts to their plan via the Yodlee system. Pauley Financial is not managing or including in strategic asset allocation re-balancing any of these accounts, nor does the firm trade or make recommendations on any linked accounts. This information is primarily used by clients to derive an automatically refreshed net worth view that is closer to a client's actual, real-time values. Liabilities and account balances are updated periodically through the Yodlee electronic linkage.

## **Item 16 Investment Discretion**

As previously disclosed in Item 4 of this brochure, our firm provides discretionary and non-discretionary asset management services.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues.



## **Item 18   Financial Information**

We have no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of investment management or financial planning 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 financial statement.

We have not been the subject of a bankruptcy petition at any time.