

# **Windsor Capital Management, LLC**

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## **PART 2A - APPENDIX 1 WRAP FEE PROGRAM BROCHURE**

This brochure provides information about the qualifications and business practices of Windsor Capital Management, LLC. If you have any questions about the contents of this brochure, contact us at 480-515-3514. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Windsor Capital Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Windsor Capital Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated January 9, 2014 we have no material changes to report.

### Item 3 Table of Contents

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table of Contents	Page 3
Item 4 Services, Fees, and Compensation	Page 4
Item 5 Account Requirements and Types of Clients	Page 8
Item 6 Portfolio Manager Selection and Evaluation	Page 8
Item 7 Client Information Provided to Portfolio Managers	Page 10
Item 8 Client Contact with Portfolio Managers	Page 11
Item 9 Additional Information	Page 11
Item 10 Requirements for State-Registered Advisers	Page 14

## Item 4 Services, Fees, and Compensation

### Description of Firm

Windsor Capital Management, LLC, established in 2000, is a fee-only registered investment adviser based in Phoenix, Arizona. We also maintain a branch office in Oak Brook, Illinois. Our firm is organized as a limited liability company under the laws of the State of Minnesota. Darren L. Whitehurst and Donald E. Peppler are our principal owners.

As used in this brochure, the words "we", "our" and "us" refer to Windsor Capital Management, LLC and the words "you", "your" and "client" refer to you as a client or prospective client of our firm. Also, you may see the term Associated Person in this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer web-based portfolio management services through a wrap-fee program ("Program") as described in this wrap fee program brochure to prospective and existing clients. We are the sponsor and investment adviser for the Program. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### Client Investment Process

We offer the Program through an automated and interactive web-based portal. The services are provided based on information provided by you through a web-based questionnaire to determine if the Program is right for you and, if so, to select an investment strategy and model that meets your individual investment objectives.

This Program allows you to choose an investment option that employs one or more proprietary investment models developed by our firm that are diversified among investment styles and/or asset classes. We provide automated investing and reinvesting in your account based on the investment strategy for the selected proprietary models and investment strategy. Once your portfolio is established, your account will be rebalanced periodically in order to maintain the targeted percentages of your investment allocation. You can change your investment allocations and/or strategy by going online and updating your web-based information.

In order to participate in the Program, we require that you grant our firm discretionary authority to manage your account. This means you have giving us authorization to determine the specific securities, and the amount of securities, to buy and sell for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

Assets for program accounts are held at TD Ameritrade Institutional as custodian. TD Ameritrade Institutional also acts as executing broker/dealer for transactions placed in Program accounts, and provides other administrative services as described throughout this Brochure. To compare the cost of

the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by TD Ameritrade Institutional and the advisory fees charged by investment advisers.

### **Changes in Your Financial Circumstances**

In providing the contracted services, all information will be provided through the web-portal. We are not required to verify any information we receive from you, or your agent(s), and we are expressly authorized to rely on the information you provide. It is your responsibility to promptly update your account application through the web-portal if there are ever any changes in your financial situation or investment objectives for the purpose of reallocating and/or rebalancing your Program account.

### **The Program Fee**

We charge an annual "wrap-fee" of 0.50% for participation in the Program. You are not charged separate fees for the different components of the services provided by the Program. Our firm pays all trade expenses of trades placed on your behalf. Our Program fee includes the fee we pay to any portfolio manager for their management of your account and TD Ameritrade Institutional's transaction or execution costs. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. In special circumstances, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, etc.). The wrap-fee is non-negotiable.

Our annual portfolio management fee is billed and payable quarterly in advance based on the account balance at end of billing period.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

### **Withdrawal of Assets**

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

### **Payment of Fees**

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

If you receive an invoice and/or billing statement from our firm, we encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information, call our main office number located on the cover page of this brochure.

### **Termination of Advisory Relationship**

You may terminate the wrap fee program agreement upon 30 days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at TD Ameritrade Institutional, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

### **Wrap Fee Program Disclosures**

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons may have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.
- TD Ameritrade has many commission-free ETFs that can be bought or sold without commissions. In general, commission-free ETFs will be used in client accounts that participate in the Program. The list of commission-free ETFs only represents a small percentage of the total number of ETFs available in the market. This practice of purchasing commission-free ETFs creates a conflict of interest because we have a financial incentive to utilize these products in client accounts to avoid payment of transaction costs by our firm. This practice may also limit investors that prefer to have access to the full universe of ETFs where other more favorable investments might be available.

### **Additional Fees And Expenses**

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (or a broker-dealer designated by the Qualified Custodian), and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the Qualified Custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

**Brokerage Practices**

If you participate in the Program, you will be required to establish an account with TD Ameritrade Institutional, member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer. If you do not direct our firm to execute transactions through TD Ameritrade Institutional, we reserve the right to not accept your account. Not all advisers require their clients to direct brokerage. Since you are required to use TD Ameritrade Institutional, we may be unable to achieve the most favorable execution of your transactions. We believe that TD Ameritrade Institutional provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

**Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

**TD Ameritrade AdvisorDirect**

We will receive client referrals from TD Ameritrade through our participation in TD Ameritrade AdvisorDirect (the "Advisor Direct" or "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of, and unaffiliated with our firm; we do not have an employee or agency relationship between them. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. TD Ameritrade does not supervise our firm and has no responsibility for our management of your portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that you pay to our firm ("Solicitation Fee"). We will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by our firm from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and who hire our firm on the recommendation of such referred client. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees paid to TD Ameritrade to you. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgment Form.

Our participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we may have an incentive to recommend to our clients that their assets under management with our firm be held in custody with TD Ameritrade and to place transactions for their accounts with TD Ameritrade. In addition, we have agreed not to solicit clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require us to do so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

## Item 5 Account Requirements and Types of Clients

We offer investment advisory services to individuals (other than high net worth individuals), high net worth individuals, and corporations or other businesses.

We require a minimum investment amount of \$5,000 to open and maintain an advisory account in the Program.

## Item 6 Portfolio Manager Selection and Evaluation

We are the sponsor and sole portfolio manager for the Program. Refer to *Services, Fees, and Compensation* for additional disclosures on costs associated with your participation in the Program.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.



**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - we generally do not employ this strategy, but may in limited circumstances, e.g., redemption or liquidation. This strategy is defined as securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

**Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by email.

**Item 7 Client Information Provided to Portfolio Managers**

In order to provide the Program services, we will share your private information with your account custodian TD Ameritrade Institutional. We may also provide your private information to mutual fund companies as needed. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

**Privacy Notice**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. All information will be delivered electronically. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

**Former Clients:** If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

**Changes to Our Privacy Policy:** If we make any substantive changes in our privacy policy that would permit or require additional disclosures of your private information, we will provide written notice to you via email, and you will be given an opportunity to direct us as to whether such disclosure is acceptable.

**Questions:** If you have questions about this privacy notice or have a question about the privacy of your private information call our main number 480-515-3514 and ask to speak to the Chief Compliance Officer.

## **Item 8 Client Contact with Portfolio Managers**

You may contact our firm using the email address at your online account with any questions regarding your Program account.

## **Item 9 Additional Information**

### **Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

### **Description of Our Code of Ethics**

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that are included in client Program portfolios. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Our firm or persons associated with our firm may combine our orders to purchase securities with your orders to purchase securities ("block trading"). A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Review of Accounts**

Darren L. Whitehurst, Chief Manager; Donald E. Peppler, Chief Compliance Officer; or another portfolio manager will review, at least quarterly, the performance of the models utilized in the Program and the investment strategies against their applicable benchmarks. We will contact clients participating in the Program, through the website portal or email, at least annually to determine whether there have been any changes in their financial situation or investment objectives. Clients participating in the Program may not impose any restrictions on the management of their accounts.

You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

### **TD Ameritrade AdvisorDirect**

We will receive client referrals from TD Ameritrade through our participation in TD Ameritrade AdvisorDirect (the "AdvisorDirect" or "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of, and unaffiliated with our firm; we do not have an employee or agency relationship between them. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. TD Ameritrade does not supervise our firm and has no responsibility for our management of your portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that you pay to our firm ("Solicitation Fee"). We will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by our firm from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and who hire our firm on the recommendation of such referred client. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees paid to TD Ameritrade to you. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgment Form.

Our participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we may have an incentive to recommend to our clients that their assets under management with our firm be held in custody with TD Ameritrade and to place transactions for their accounts with TD Ameritrade. In addition, we have agreed not to solicit clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require us to do so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

### **Client Referrals and Other Compensation**

Other than our participation in AdvisorDirect, as disclosed above, we will not compensate any non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. We may compensate our employees in the form of a bonus as determined by the overall performance of any particular individual and/or the Program.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

### **Automated Investment Tool Information**

We strongly encourage you to consider the following before using any automated investment tool:

**1. Understand any terms and conditions.** Review all relevant disclosures for an automated investment tool. Understand any terms and conditions, such as the fees and expenses associated with using the tool or with selling or purchasing investments. Find out how you can terminate any agreement or relationship, and how long it may take to cash out any investments if you decide to stop

using the tool. If anything is unclear or you need additional information, directly contact the automated tool sponsor. Ask an automated investment tool sponsor whether it receives any form of compensation for offering, recommending, or selling certain services or investments.

**2. Consider the tool's limitations, including any key assumptions.** Be aware that an automated tool may rely on assumptions that could be incorrect or do not apply to your individual situation. For example, an automated investment tool may be programmed to use economic assumptions that will not react to shifts in the market. If the automated tool assumes that interest rates will remain low but, instead, interest rates rise, the tool's output will be flawed. In addition, an automated investment tool, like other investment programs, may be programmed to consider limited options. For example, an automated investment tool may only consider investments offered by an affiliated firm.

**3. Recognize that the automated tool's output directly depends on what information it seeks from you and what information you provide.** Which questions the tool asks and how they are framed may limit or influence the information you provide, which in turn directly impacts the output that an automated investment tool generates. If any of the questions are unclear or you do not understand why the information is being sought, ask the tool sponsor. Be aware that a tool may ask questions that are over-generalized, ambiguous, misleading, or designed to fit you into the tool's predetermined options. In addition, be very careful when inputting your answers or information. If you make a mistake, the resulting output may not be right for you.

**4. Be aware that an automated tool's output may not be right for your financial needs or goals.** An automated investment tool may not assess all of your particular circumstances, such as your age, financial situation and needs, investment experience, other holdings, tax situation, willingness to risk losing your investment money for potentially higher investment returns, time horizon for investing, need for cash, and investment goals. Consequently, some tools may suggest investments (including asset-allocation models) that may not be right for you. For example, an automated investment tool may estimate a time horizon for your investments based only on your age, but not take into account that you need some of your investment money back in a few years to buy a new home. In addition, automated tools typically do not take into account that your financial goals may change. If the automated investment tool does not allow you to interact with an actual person, consider that you may lose the value that human judgment and oversight, or more personalized service, may add to the process.

**5. Safeguard your personal information.** Understand when and with whom your personal information may be shared. If you have questions that are not answered in the tool's privacy policy, contact the tool's sponsor for more information. Also, look out for phishing and other scams designed to trick you into revealing personal financial information. Unless you are accessing an account that you established, do not provide bank or brokerage account numbers, passwords, PINs, credit card information, Social Security numbers, or other personally identifiable information. When using investment tools online, take these steps to protect your personal financial information:

- Do not provide payment information if the address bar of the website indicates that the web address begins with "http" (instead of "https").
- Pick a "strong" password, keep it secure, and change it regularly.
- Password-protect mobile devices that are linked to investment tools or accounts.
- Avoid accessing investment tools or accounts on a shared computer or through an unsecure wireless connection.

## Item 10 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.