



## **John D. Dovich & Associates, LLC**

**CRD Number: 120458  
Firm Brochure  
Dated March 31, 2015**

**625 Eden Park Drive, Suite 310  
Cincinnati, OH 45202  
Telephone: (513) 579-9400**

**Online: [www.jdovich.com](http://www.jdovich.com)**

This brochure provides information about the qualifications and business practices of John D. Dovich & Associates, LLC. If you have any questions about the contents of this brochure, please contact us at (513) 579-9400, or by e-mail at [shawn@jdovich.com](mailto:shawn@jdovich.com). The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about John D. Dovich & Associates, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

John D. Dovich & Associates, LLC is an investment adviser registered with the SEC. Registration of an investment adviser does not imply a certain level of skill or training.

**Summary of Material Changes (Item 2)**

Since our last update, we have added discretionary investment management services, as described more fully under Item 4 of the Firm Brochure.

The company is no longer affiliated with NFP Advisor Services, LLC, a broker-dealer.

### **Table of Contents (Item 3)**

<b>Cover Page, Item 1</b>	<b>1</b>
<b>Material Changes, Item 2</b>	<b>2</b>
<b>Table of Contents, Item 3</b>	<b>3</b>
<b>Advisory Business, Item 4</b>	<b>4</b>
<b>Fees and Compensation, Item 5</b>	<b>7</b>
<b>Performance Fees and Side-by-Side Management, Item 6</b>	<b>9</b>
<b>Types of Clients, Item 7</b>	<b>9</b>
<b>Methods of Analysis, Investment Strategies, and Risk of Loss, Item 8</b>	<b>10</b>
<b>Disciplinary History, Item 9</b>	<b>14</b>
<b>Other Financial Industry Activities and Affiliations, Item 10</b>	<b>14</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Item 11</b>	<b>14</b>
<b>Brokerage Practices, Item 12</b>	<b>15</b>
<b>Review of Accounts, Item 13</b>	<b>16</b>
<b>Payment for Client Referrals, Item 14</b>	<b>17</b>
<b>Custody, Item 15</b>	<b>17</b>
<b>Investment Discretion, Item 16</b>	<b>17</b>
<b>Voting Client Securities, Item 17</b>	<b>18</b>
<b>Financial Information, Item 18</b>	<b>18</b>

#### **Advisory Business (Item 4)**

John D. Dovich is the founder and principal owner of John D. Dovich & Associates, LLC (“Dovich & Associates” or “we”). We are organized as a limited liability company under the laws of the state of Ohio and have been advising clients since 1987. We provide asset management, financial planning, and non-securities related services to clients to achieve their financial goals. Dovich & Associates is registered with the United States Securities and Exchange Commission (the “SEC”) pursuant to the Investment Advisers Act of 1940. Registration of an investment adviser does not imply a certain level of skill or training.

#### *Asset Management Services*

Dovich & Associates offers both discretionary and non-discretionary asset management services. We tailor our investment advice to fit our clients’ needs and objectives. We collect data from our clients, including financial goals, objectives, and current and future needs and use this information to craft appropriate plans and strategies for investing. We also consider the taxable or tax-deferred nature of our clients' accounts to minimize any negative tax consequences associated with an investment strategy.

Our clients may also request that we consider certain investment limitations with respect to providing advice. For example, clients may require that we exclude from consideration the stock of certain companies, such as the stock of the client's employer if the client already has significant wealth dependent upon the success of the employer. Clients may also restrict investments in certain companies, industries, or sectors that are not considered socially responsible (e.g., tobacco producers, adult entertainment businesses, casino operators).

Our asset management services include discretionary and non-discretionary asset management. For our non-discretionary asset management clients, we advise clients regarding asset allocation, recommend specific investments to clients, and facilitate investment transactions for clients through unaffiliated third-party broker-dealers or other financial institutions. For our discretionary asset management clients, we will determine asset allocation and make investments in particular securities based upon, amongst other things, our client’s investment objectives and risk tolerances. Each client's account is managed separately, based on their needs, objectives, and risk tolerance.

To keep abreast of current events in the market and to provide the best advice to our clients, our Investment Committee meets at least monthly to discuss market conditions and changes in our outlook for certain asset classes or specific investments. These meetings bring together the knowledge and experience of all of our investment professionals to make recommendations regarding the purchase or sale of investments for clients.

Our asset allocation and investment recommendations services for a non-discretionary asset management client may include:

- Assisting clients with screening and selecting a broker-dealer or custodian to hold the client's account(s) (such as Charles Schwab Institutional ("Schwab"))
- Assisting clients in evaluating their financial circumstances and objectives and determining which services best match those objectives
- Assisting advisory clients in selecting and/or advising them with regard to
  - investment company securities, including mutual funds and exchange-traded funds (ETFs);
  - variable insurance products, including variable life insurance contracts and variable annuity contracts;
  - equity securities, including U.S. and foreign common stocks;
  - U.S. government and corporate debt securities (bonds);
  - options contracts on securities, including options that a client may receive from the client's employer; and
  - other investment opportunities that may be appropriate for certain clients.

Our investment transaction services include placing securities trades and orders with custodial firms holding client assets, facilitating money movement within client accounts, and updating client account information. In all cases, we will share investment recommendations with you for your approval before any changes to your account are made.

Our services for discretionary asset management clients may include:

- Assisting clients with screening and selecting a broker-dealer or custodian to hold the client's account(s) (such as Charles Schwab Institutional ("Schwab"));
- Evaluating client's financial circumstances, risk tolerance and income needs to determine the client's investment objectives;
- Selecting investment securities in accordance with the client's investment objectives, including
  - investment company securities, including mutual funds and exchange-traded funds (ETFs);
  - variable insurance products, including variable life insurance contracts and variable annuity contracts;
  - equity securities, including U.S. and foreign common stocks;
  - U.S. government and corporate debt securities (bonds);
  - options contracts on securities, including options that a client may receive from the client's employer; and
  - other investment opportunities that may be appropriate for certain clients.

Our clients maintain their assets with an unaffiliated broker-dealer or custodian, such as Schwab.

### *Financial Planning Services*

In addition to offering asset management services to clients, Dovich & Associates may assist clients with the creation and maintenance of a financial plan, maintenance of client accounts with unaffiliated institutions, and coordination of a client's financial plan with various advisors. The creation of a financial plan enables us to discuss with a client each aspect of the client's financial life, of which investing may only be a part.

Our financial planning services address a range of client needs. Our clients may request that we work with them to identify their financial needs with respect to income required for their retirement, educational expenses, or special purchases. We may also assist our clients in understanding their insurance needs or developing an estate plan to provide for the client's family. For clients who receive employee benefits, we may assist them in understanding the scope of those benefits, including insurance and compensation benefits. In each instance, our financial planning services are provided with an objective of helping our client understand their overall financial position and using that information to help them identify appropriate investments and set objectives.

For clients who already have a financial plan, we may assist them on an annual basis in keeping those plans updated to reflect changes in the client's financial situation. We generally do not provide financial planning services to non-investment advisory clients.

### *Advisory Services to Retirement Plans and Plan Participants*

We offer advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). These services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act of 1974 ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

### *Status*

We are registered as an investment adviser under the Investment Advisers Act of 1940 and we are not subject to any disqualification as set forth in Section 411 of ERISA. In performing fiduciary services, we are acting as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

### *Other Non-Securities Related Services*

Investment adviser representatives of Dovich & Associates may provide advice or analysis to clients or a client's advisors that may be unrelated to securities. On more than an occasional basis, we furnish advice to clients on matters not involving securities.

Examples of such matters include the amount and type of insurance a client needs, general information with regard to estate planning, employment contracts, education planning, credit and financing of real estate transactions, and tax planning other than return preparation. In certain instances, we may work with or refer clients to other professionals (*e.g.*, legal counsel, property & casualty insurance agents) to help achieve our client's goals. In no case do we receive any compensation from any third-party in connection with working with such professionals.

### *Assets Under Management*

As of December 31, 2014, Dovich & Associates had approximately \$330,600,000 of assets under management on a non-discretionary basis. Dovich & Associates began providing discretionary asset management services on January 26, 2015.

## **Fees and Compensation (Item 5)**

### *Asset Management Services*

Dovich & Associates' fee arrangements for asset management services, including investment advice, are described in each client's advisory agreement. Our annual fees are charged as a percentage of the value of each client's account. Our fee schedule is as follows:

- 1.00% for assets up to \$2,000,000;
- 0.75% on the next \$3,000,000 of assets; and
- 0.50% for assets in excess of \$5,000,000.

Our fees are generally assessed on the first day of each quarter, based on the market value of the client's account as of the last day of the previous quarter. In certain circumstances, we may agree to other billing schedules upon request from a client and as specified in that client's investment advisory agreement. Our clients may elect whether to have their fees deducted directly from their account(s) or to be billed directly. Fees will be prorated for any partial period, such as at the beginning or end of the advisory relationship.

In addition to fees paid to Dovich & Associates, clients may be charged fees by unaffiliated third-parties, such as stock trading commissions or transaction fees related to the buying and selling of certain mutual funds. These charges are determined and assessed by broker-dealers, custodians, or other financial institutions that are not related to Dovich & Associates, and we receive no compensation related to these fees. Please see Item 12 for more information about our brokerage practices. Clients may be charged a custodial fee by the broker-dealer, custodian, or financial institution maintaining the client's account(s). Currently, there are no custodial fees associated with Schwab. For investments in mutual funds, clients will be charged by the mutual fund for fund expenses, such as the fund's investment management fee, which are described in the

prospectus of each such mutual fund. Fees charged by any mutual fund separate and distinct from the services we provide and are in addition to the fees we charge.

Dovich & Associates does not receive any compensation, including commissions, related to specific investments for any accounts for which our client pays us an investment advisory fee. However, Dovich & Associates does receive compensation with respect to the purchase of annuity contracts and investment products when those transactions are executed through a registered FINRA/SIPC member broker-dealer. Additionally, for certain types of accounts (such as a 529 plan) for which Dovich & Associates does not charge an investment advisory fee, we may receive compensation related to the purchase of investment products when those transactions are executed through a registered FINRA/SIPC member broker-dealer.

We may from time to time negotiate a discount to our normal advisory fees for clients with special circumstances. Such circumstances may include, but are not limited to, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, and account retention.

#### *Financial Planning Services*

Dovich & Associates charges a fixed retainer fee for financial planning services. We provide our clients with a fixed price prior to the commencement of financial planning services, and the fee is charged at the end of the year after services are provided. The fee will vary depending upon the unique scope and complexity of the services requested by the client.

In addition to initial financial planning services provided to the client, we generally charge an annual retainer fee to annually update the client's financial plan to reflect any changes in the client's financial position.

#### *Miscellaneous Services*

For services other than investment advice and financial planning, Dovich & Associates may charge an hourly fee. Hourly fees are determined and charged on a case-by-case basis and are charged after services are provided.

#### *Additional Compensation*

As described further in Item 10, the investment adviser representatives and Chief Compliance Officer of Dovich & Associates may be registered representatives with a registered FINRA/SIPC member broker-dealer. In connection with that registration, each of those persons may receive compensation for the sale of securities or other investment products when such transactions are executed by a registered FINRA/SIPC member broker-dealer. Such transactions are generally limited to the sale of annuities contracts and 529 plans and affect only a very small portion of our overall business; most securities transactions for our clients are executed through Schwab, as described further in Item 12.



Dovich & Associates does not receive any compensation with respect to the purchase of mutual funds in client accounts or for any investment product other than insurance products and certain limited products offered through a registered FINRA/SIPC member broker-dealer.

In addition, our investment adviser representatives may be insurance agents or brokers with any number of life and health insurance companies. Our investment adviser representatives may sell insurance products, including but not limited to life, long-term care, disability, overhead, second-to-die, and health insurance. Our investment adviser representatives that are insurance agents or brokers receive compensation from the insurance companies for selling insurance products. In addition, they may receive additional compensation from these companies for meeting certain production levels. At the client's request, we share commission information regarding insurance policy purchases.

Our employees' relationships with a registered FINRA/SIPC member broker-dealer or any insurance company presents a conflict of interest and gives us or such employees an incentive to recommend investment products based on the compensation received, rather than on a client's needs. To address this potential conflict, we disclose these relationships to our clients, and at the client's request, we share information about commissions and other compensation that would be received by us in connection with any such transaction.

Non-discretionary asset management clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us. In the case where we receive a commission for a transaction, there is no adjustment made to advisory fees for the client's account to offset the commission.

### **Performance Fees and Side-by-Side Management (Item 6)**

Dovich & Associates does not charge performance-based fees. The term "performance-based fees" refers to fees based on a share of capital gains on, or capital appreciation of, a client's assets.

### **Types of Clients (Item 7)**

Dovich & Associates provides investment advice on both a discretionary and non-discretionary basis to individuals, trusts, estates, corporations, and other business entities. We generally require that new accounts contain a minimum of \$250,000, but this requirement may be reduced or waived based on the factors discussed in Item 5 with respect to negotiated fees. We generally do not provide financial planning services to non-investment advisory clients.

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

### *Methods of Analysis*

Dovich & Associates uses a variety of analysis methods to analyze investment opportunities, including charting, fundamental analysis, technical analysis and cyclical analysis. Charting is a method used to evaluate market trends and the price behavior of individual securities. Charts can reveal whether the market is in a major upturn or downturn and help analysts analyze whether such a trend is likely to reverse or the magnitude of any likely price swings.

Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. When applied to futures and foreign exchange markets, fundamental analysis focuses on the overall state of the economy, interest rates, production, earnings, and management. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use; bottom up analysis and top down analysis. Bottom-up analysis involves analyzing the financial health of a company and its products and services, while top-down analysis focuses on the health of the economy and financial markets.

Technical analysis involves studying past market data, including price and volume information, to judge the likelihood of increases or decreases in the price of a security.

Cyclical analysis involves studying patterns in the past performance of certain securities or groups of securities. The analysis calculates the length of time for certain reoccurring cycles. Well known market cycles include, for example, the four-year presidential cycle or annual and quarterly fiscal reporting cycles.

The main sources of information Dovich & Associates uses include the Morningstar Advisor Workstation (an internet based tool) and financial websites, newspapers, and magazines (*e.g.*, the Wall Street Journal Professional, Barron's, Bloomberg, Grant's Interest Rate Observer, and the Financial Analysts Journal). We also review research materials prepared by others, company annual reports, prospectuses, filings with the SEC, and company press releases.

### *Investment Strategies*

Dovich & Associates evaluates investment opportunities for clients that may include long-term investments (*i.e.*, those held at least one year) and short-term investments (*i.e.*, those sold within one year), margin transactions, and options writing and purchases.

Margin trading allows a client to borrow against the securities held in the client's account, pledging the securities as collateral. Margin borrowers will incur interest charges on the amount borrowed. A margin loan generally has no set repayment schedule as long as the client maintains the required minimum level of equity in the account.

Options trading generally involves the purchase or sale of “options” contracts that permit the holder of the option to buy or sell a security or group of securities at a specified price (the “exercise price”) on or before a specified date (the “expiration date”). A call option for a particular security gives the purchaser of the option the right to buy, and the writer (seller) the obligation to sell, the underlying security at the stated exercise price at any time prior to the expiration date, regardless of the market price of the security. The premium paid to the writer is in consideration for undertaking the obligation under the option contract. A put option for a particular security gives the purchaser the right to sell the security at the stated exercise price at any time prior to the expiration date of the option, regardless of the market price of the security.

Stock index options are put options and call options on various stock indices. In most respects, they are identical to listed options on common stocks. The primary difference between stock options and index options occurs when index options are exercised. In the case of stock options, the underlying security, common stock, is delivered. However, upon the exercise of an index option, settlement does not occur by delivery of the securities comprising the index. The option holder who exercises the index option receives an amount of cash if the closing level of the stock index upon which the option is based is greater than, in the case of a call, or less than, in the case of a put, the exercise price of the option. This amount of cash is equal to the difference between the closing price of the stock index and the exercise price of the option expressed in dollars times a specified multiple.

With respect to stock selection, we generally recommend to clients stocks that we believe fit our client's investment objectives and risk tolerances. We stress the importance of having a diversified investment portfolio, and consequently, we recommend stocks (or mutual funds that invest in stocks) that are both growth- and value-oriented as well as stocks of companies with a range of market capitalizations. To minimize the fees and risks associated with purchasing and selling stock of individual companies, we generally recommend that clients with less than \$1 million in assets rely on mutual funds for exposure to equity investments, rather than a variety of individual stocks.

With respect to bond selection, we generally recommend to clients U.S. government and corporate bonds that we believe fit our client's objectives for generating income and risk tolerances. We evaluate the credit risk and anticipated income of bonds to identify appropriate investments for clients. To minimize the fees and risks associated with purchasing and selling government and corporate bonds, we generally recommend that clients with less than \$1 million in assets rely on fixed-income mutual funds for exposure to fixed-income investments, rather than a variety of individual bonds.

With respect to the selection of investment companies (such as mutual funds) that invest in stocks or bonds, we evaluate the principal investment strategies of each such fund to identify funds pursuing an objective appropriate for the client and to diversify client assets across different sectors, company capitalizations, risks, and geographies. We evaluate the tenure of each fund's management, as well as the historic portfolio turnover rates for fund holdings. We also evaluate the fees of each fund to determine whether the fees are reasonable, given other similar investments that may be available, as well as the

experience of the fund's management, including past returns of the fund during various market conditions.

At all times, we consider each client's risk tolerance, desired investment strategy, funding needs, and investment limitations when selecting and/or recommending investments.

### *Risks*

Investment and advisory products and services offered, selected or recommended by Dovich & Associates are subject to risks associated with investing in securities and may result in a loss of client assets that clients should be prepared to bear. Dovich & Associates does not guarantee the results of any investment advice, selections or recommendations, nor do we guarantee that the investment objectives of advisory clients will be met.

Additionally, the investment products that we select and/or recommend are subject to the following main risks:

***Market Risk:*** Market risk refers to the risk related to investments in securities in general and the daily fluctuations in the securities markets. A client's investment is affected by many factors, including fluctuation in interest rates, the quality of the instruments in the client's investment portfolio, national and international economic conditions and general market conditions.

***Equity Risk:*** The value of equity securities can fluctuate—at times dramatically. The prices of equity securities are affected by various factors, including market conditions, political and other events, and developments affecting the particular issuer or its industry or geographic sector.

***Management Risk:*** Dovich & Associates' judgments about the attractiveness, value, and potential appreciation of a particular asset class or individual security may be incorrect, and there is no guarantee that individual companies will perform as anticipated.

***Small Cap and Mid Cap Company Risk:*** Investments in small and mid-capitalization companies involve greater risks than investments in larger, more established companies. These companies may not have the size, resources or other assets of large capitalization companies, and may experience higher growth and higher failure rates than do larger companies. Because they may have limited product lines and financial resources, small and mid-capitalization companies also may be more vulnerable to economic, market and industry changes. As a result, share price changes may be more sudden or erratic than the prices of other equity securities, especially over the short term.

***Foreign Investment Risk:*** Foreign investing involves risks not typically associated with U.S. investments. These risks include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting a foreign country. In addition, foreign investing involves less publicly available information, and more volatile or less liquid securities markets. Investments in foreign

countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws, and potential difficulties in enforcing contractual obligations. Foreign accounting may be less transparent than U.S. accounting practices, and foreign regulation may be inadequate or irregular.

***Emerging Markets Risk:*** The securities markets in emerging market countries are less developed and less liquid, and may be subject to greater price volatility. These countries may have relatively unstable governments and deficiencies in regulatory oversight, market infrastructure, shareholder protections and company laws that could expose investors to risks beyond those generally encountered in developed countries. In addition, profound social changes and business practices that depart from norms in developed economies have hindered the orderly growth of emerging economies and their markets in the past and have caused instability. High levels of debt tend to make emerging economies heavily reliant on foreign capital and vulnerable to capital flight. Countries in emerging markets are also more likely to experience high levels of inflation, deflation or currency devaluation, which could hurt their economies and securities markets. For these and other reasons, investments in emerging markets are often considered speculative.

***Investment Company Risk:*** Clients invested in mutual funds, closed-end funds, exchange-traded funds, and other pooled investment funds will indirectly bear fees and expenses charged by the underlying investment funds. Clients also may incur brokerage costs when purchasing exchange-traded funds and closed-end funds. Investments in investment companies are also subject to the risks described in the respective investment company's prospectus.

***Interest Rate Risk:*** Fixed income securities increase and decrease in value based on changes in interest rates. If interest rates increase, the value of fixed income securities will decline. On the other hand, if interest rates decline, the value of fixed income securities generally increases. Securities with longer maturities tend to produce higher yields, but are more sensitive to changes in interest rates and are subject to greater fluctuations in value.

***Credit Risk:*** The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation, which could result in a loss to the investor.

***Derivatives Risk:*** Derivative securities (such as options) are subject to changes in the underlying securities or indices on which such transactions are based. There is no guarantee that the use of derivatives for investment or hedging purposes will be effective. Even a small investment in derivatives may give rise to leverage risk, and can have a significant impact on a client's exposure to securities markets values and interest rates. Derivatives are also subject to credit risk (the counterparty may default) and liquidity risk (the client may not be able to sell the security or otherwise exit the contract in a timely manner).

**Disciplinary History (Item 9)**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser. We have no information to disclose applicable to this Item.

**Other Financial Industry Activities and Affiliations (Item 10)**

The firm is in the registration process with a newly hired broker dealer. This arrangement will affect a small portion of our overall business.

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

On occasion, related persons of Dovich & Associates may buy or sell securities that have been selected for or recommended to a client. All trading activity in a related person's personal accounts adheres to the policy outlined in our Code of Ethics. Our procedures require that our Chief Compliance Officer review all personal securities transactions (other than through certain automatic investment programs or in accounts not controlled by the employee) to ensure that clients are not affected by trades executed for employees' personal accounts. Employees are permitted to transact in mutual fund shares on the same day as clients because mutual fund shares trade only at the fund's net asset value (NAV) and only at the close of the market on each business day, and consequently, such transactions will not have any effect on the execution (including the price) of client orders.

Dovich & Associates, in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, has adopted a Code of Ethics that describes the duties and obligations of Dovich & Associates and our Access Persons (as defined in the Rule) to regard the interests of our clients as paramount at all times. The principal objectives of this Code are to establish certain policies and procedures consistent with applicable federal securities laws and regulations and to ensure that the activities of Dovich & Associates and our employees are at all times undertaken consistent with, and in furtherance of, our fiduciary obligations to our investment advisory clients. A copy of this Code is provided to all of our Access Persons and each Access Person is required to acknowledge in writing that he or she has received a copy of this Code.

Under our Code, each Access Person is required to obtain the approval of our Chief Compliance Officer ("CCO") before he or she directly or indirectly acquires beneficial ownership in any security in an initial public offering or in a limited offering. In making such approval determinations, our CCO will consider, among other factors, whether the investment opportunity should be reserved for clients and whether the opportunity is being offered to an individual by virtue of his or her position with Dovich & Associates.

Our Code of Ethics also addresses privacy of client information, insider trading, and compliance with federal securities laws and all laws applicable to us and our business activities. Upon request, a copy of this Code will be provided to clients.

### **Brokerage Practices (Item 12)**

Dovich & Associates, upon a client's request, will recommend brokers for the execution of client portfolio transactions. In selecting a brokerage firm, we consider the integrity, experience, cost, product availability, responsiveness and capability of handling client accounts and transactions of the broker when determine which broker provides best execution for client transactions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services.

Generally, Dovich & Associates recommends Schwab to our clients because we have found that Schwab offers a comprehensive, competitively priced product, including features such as Internet access to client accounts, cash management, a wide range of investment products, and reasonable commissions and fees. Schwab's commission schedules are periodically reviewed and compared to those of industry leaders to ensure they are fair and competitive. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. These support services may give us an incentive to recommend that you maintain your account with Schwab. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients.

Dovich & Associates does permit directed brokerage arrangements. Clients may direct us in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate directly terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices or qualitative execution, on transactions for the account than would otherwise be the case. Subject to our duty to provide best execution, we may decline a client's request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Third-party brokers may be used to execute some client transactions, but assets will always remain with the client account at the client's custodial firm.

Dovich & Associates has not entered into any commitments or understandings to trade with specific broker-dealers, direct a minimum number of transactions to specific brokers-dealers, or generate a specified level of brokerage commission with any

particular broker-dealer, including Schwab, to receive brokerage or research services. These commitments or understandings are generally known as soft dollar arrangements.

Certain broker-dealers through whom we execute trades may provide us with unsolicited proprietary research, *i.e.*, research created or developed by the broker. This research is used for all of our client accounts, even though certain clients may not have paid direct commissions to the broker-dealers who provided the research. This research may include a wide variety of reports, charts, publications or proprietary data on economic and political strategy, financial and economic studies and forecasts, credit analysis, analysis concerning specific securities, companies or industry sectors or stock and bond market conditions, and projections. Brokerage services could include use of pricing services and proprietary order management systems.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products or services that assist us in our investment decision-making process. For example, we may receive from Schwab, at a reduced cost or without cost to us, computer software and related systems support that allow us to better monitor client accounts maintained at Schwab. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at Schwab. Such software and related systems could benefit us directly because we would need to produce or pay for such products; however, these services benefit our clients only indirectly.

In fulfilling our duties to our clients, Dovich & Associates at all times puts the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of one broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Broker-dealers providing research services, even on an unsolicited basis, may charge commissions for executing portfolio transactions that are higher than the amount of commissions that other brokers would charge for effecting the same transactions. We will execute portfolio transactions through these brokers only if it has determined that such broker-dealers provide best execution based on the factors described above.

### **Review of Accounts (Item 13)**

At least annually, Dovich & Associates contacts each advisory client (discretionary and non-discretionary) to determine whether or not there have been any changes to the client's financial situation and/or investment objectives. Our adviser representatives will conduct a review of the advisory client's account to determine whether the investments managed in the account are consistent with the advisory client's objectives. Client accounts are reviewed annually at a minimum and more frequently upon the request of client.



An individual financial plan review is provided to clients as of a specific date. Financial plans may be updated at the request of the client. Generally they are updated no more than annually unless there is a material change.

We provide written quarterly reports to certain of our advisory clients. Not all clients receive reports from us; rather, the broker-dealer, custodian, or financial institution maintaining a client's assets will provide regular reports to the client. Those firms determine the nature and frequency of these reports. Advisory clients receive confirmation statements whenever transactions are executed for their accounts.

#### **Payment for Client Referrals (Item 14)**

Other than the benefits described in Item 12 and commissions described in Item 5, Dovich & Associates does not receive an economic benefit from anyone other than its clients for advisory services.

#### **Custody (Item 15)**

Dovich & Associates does not provide custodial services to its clients. Client assets are held with banks, registered broker-dealers, or other "qualified custodians." Clients will receive statements directly from the qualified custodians at least quarterly. Clients are urged to carefully review those statements and compare the custodial records to any reports provided by Dovich & Associates. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should contact us with any questions about these reports.

#### **Investment Discretion (Item 16)**

Clients can engage Dovich & Associates to provide investment advisory services on a discretionary basis. Prior to Dovich & Associates assuming discretionary authority over a client's account, the client is required to execute an Investment Advisory Agreement, naming Dovich & Associates as client's attorney and agent in fact, granting Dovich & Associates full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Dovich & Associates on a discretionary basis may, at any time, impose restrictions, in writing, on Dovich & Associates' discretionary authority (*i.e.*, limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit Dovich & Associates' use of margin, etc.)

#### **Voting Client Securities (Item 17)**

For a non-discretionary asset management client, Dovich & Associates does not exercise voting rights for any securities held by the client. Dovich & Associates is not required to take any action or render any advice with respect to any securities presently or formerly held by the client, or the issuers thereof, which become the subject of legal proceedings, including bankruptcies. Clients receive proxies and other solicitations directly from the custodian of their investment account. They may contact us with questions regarding a solicitation by calling us at the phone number on the cover of this brochure or sending an e-mail to the address listed on the cover.

For a discretionary asset management client, Dovich & Associates will determine how to vote proxies based on our best judgment of the vote enhancing shareholder value and/or maximizing the long-term economic benefits of shareholders. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

### **Financial Information (Item 18)**

Registered investment advisers are required to provide clients with financial information or disclosures about their financial condition in this Item. Dovich & Associates has no financial commitments that impair its ability to meet contractual and fiduciary commitments to its clients and has never been the subject of a bankruptcy proceeding.

## **FORM ADV Part 2B -- BROCHURE SUPPLEMENT**

**JOHN D. DOVICH**

**John D. Dovich & Associates, LLC**

**625 Eden Park Drive, Suite 310**

**Cincinnati, OH 45202**

**(513) 579-9400**

**March 31, 2015**

This brochure supplement provides information about John D. Dovich that supplements the John D. Dovich & Associates, LLC ("Dovich & Associates") brochure. You should have received a copy of that brochure. Please contact Shawn Fishbaugh at (513) 579-9400 if you did not receive the brochure or if you have any questions about the contents of this supplement.

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

### **Educational Background and Business Experience (Item 2)**

John D. Dovich was born in 1965. He graduated from Xavier University in 1987 with a Bachelor's Degree in Political Science. Since 1987, John has been the President of Dovich & Associates. John holds the Chartered Financial Consultant (ChFC®) and Chartered Life Underwriter (CLU®) designations.

The ChFC® designation requires nine college-level courses and average study time to earn the ChFC® exceeds 450 hours. Required courses cover extensive education and application training in financial planning, income taxation, investments, and estate and retirement planning. Additional electives are chosen from such topics as macroeconomics, financial decisions for retirement, and executive compensation. ChFC® designees must meet experience requirements and adhere to continuing education and ethical standards.

The CLU® designation requires eight or more college-level courses representing an average study time of 400 hours. Topics for required courses include insurance and financial planning, life insurance law, estate planning, and planning for business owners and professionals. Elective courses include such advanced topics as income taxes, group benefits, retirement planning, and health insurance. CLU® designees must meet experience and continuing education requirements and must adhere to a high ethical standard.

**Disciplinary Information (Item 3)**

There is no information to disclose with respect to this Item.

**Other Business Activities (Item 4)**

John D. Dovich is an insurance agent and broker with several life and health insurance companies. He receives compensation from the insurance companies for selling insurance products. In addition, he may receive additional compensation from these companies for meeting certain production levels.

**Additional Compensation (Item 5)**

John D. Dovich may receive additional compensation from certain life and health insurance companies in connection with providing advice to clients. For information regarding this compensation, please see Item 4 above and Item 5 in the Dovich & Associates firm brochure.

**Supervision (Item 6)**

Shawn L. Fishbaugh, Chief Compliance Officer, (513) 579-9400, is responsible for supervising the activities of John. Mr. Fishbaugh supervises the activities of Mr. Dovich by attending the firm's monthly management meetings and by interacting with him with respect to client accounts on a regular basis.

## **FORM ADV Part 2B -- BROCHURE SUPPLEMENT**

**THOMAS J. LALLEY**

**John D. Dovich & Associates, LLC**

**625 Eden Park Drive, Suite 310**

**Cincinnati, OH 45202**

**(513) 579-9400**

**March 31, 2015**

This brochure supplement provides information about Thomas J. Lalley that supplements the John D. Dovich & Associates, LLC (“Dovich & Associates”) brochure. You should have received a copy of that brochure. Please contact Shawn Fishbaugh at (513) 579-9400 if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas J. Lalley is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience (Item 2)**

Tom Lalley was born in 1970. He graduated from Northern Kentucky University in 1992 with a Bachelor’s Degree in Accounting. He received his Master of Business Administration Degree from Xavier University in 1999. Since 2000 Tom Lalley has been employed by Dovich & Associates. He is a principal and an investment adviser representative/analyst. Tom Lalley holds the Chartered Financial Analyst® designation and is a Certified Financial Planner™ practitioner.

To earn the Chartered Financial Analyst charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Disciplinary Information (Item 3)**

There is no information to disclose with respect to this Item.

**Other Business Activities (Item 4)**

There is no information to disclose with respect to this Item.

**Additional Compensation (Item 5)**

There are no additional compensation arrangements for Tom Lalley.

**Supervision (Item 6)**

John D. Dovich, President, (513) 579-9400, is responsible for supervising the activities of Tom. Mr. Dovich supervises Tom Lalley by attending the firm's monthly management meetings and by interacting with him with respect to client accounts on a regular basis.

## **FORM ADV Part 2B -- BROCHURE SUPPLEMENT**

**WILLIAM C. BRUNS**

**John D. Dovich & Associates, LLC  
625 Eden Park Drive, Suite 310  
Cincinnati, OH 45202  
(513) 579-9400**

**March 31, 2015**

This brochure supplement provides information about William C. Bruns that supplements the John D. Dovich & Associates, LLC ("Dovich & Associates") brochure. You should have received a copy of that brochure. Please contact Shawn Fishbaugh at (513) 579-9400 if you did not receive the brochure or if you have any questions about the contents of this supplement.

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

### **Educational Background and Business Experience (Item 2)**

Bill Bruns was born in 1972. He graduated cum laude from the University of Dayton in 1995 with majors in Finance and Marketing; minors in French and German. Since February, 2010, Bill Bruns has been employed by John D. Dovich & Associates, LLC as a Principal and an investment advisor representative. From February 2007 to February 2010 he was employed by Paragon Financial Group, LLC as an Investment Specialist/Principal. Bill Bruns was a self employed Trader from September 2003 to February 2007.

### **Disciplinary Information (Item 3)**

There is no information to disclose with respect to this Item.

### **Other Business Activities (Item 4)**

There is no information to disclose with respect to this Item.

### **Additional Compensation (Item 5)**

There are no additional compensation arrangements for Bill Bruns.



**Supervision (Item 6)**

John D. Dovich, President, (513) 579-9400, is responsible for supervising the activities of Bill. Mr. Dovich supervises Bill Bruns by attending the firm's monthly management meetings and by interacting with him with respect to client accounts on a regular basis.

## **FORM ADV Part 2B -- BROCHURE SUPPLEMENT**

**DEAN R. JOHNS**

**John D. Dovich & Associates, LLC**

**625 Eden Park Drive, Suite 310**

**Cincinnati, OH 45202**

**(513) 579-9400**

**March 31, 2015**

This brochure supplement provides information about Dean R. Johns that supplements the John D. Dovich & Associates, LLC (“Dovich & Associates”) brochure. You should have received a copy of that brochure. Please contact Shawn Fishbaugh at (513) 579-9400 if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Dean R. Johns is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience (Item 2)**

Dean R. Johns was born in 1969. He graduated summa cum laude with a B.S. in Accounting from Minnesota State University - Mankato in 1991. He received his Master's in Business Taxation from the University of Minnesota in 1999. Dean is a licensed Certified Public Accountant (CPA) having received the Elijah Watts Sells award for the November 1991 exam (top 100 in the country). Dean received his CFP® certification in 2013. Since August 2012, Dean Johns has been employed by John D. Dovich & Associates, LLC as a Principal and, since September, 2012, as an investment advisor representative. From May 2000 – March, 2012 he was employed by Grant Thornton, LLP. During his tenure he acted as National Director of Tax Operations, and in his last role, served as the National Executive Director of Partnership Matters.

To become a licensed Certified Public Accountant, candidates must: 1) obtain individual state required education requirements; 2) pass a 14 hour, four part examination; 3) have at least one year of qualified public accounting experience; 4) pass an AICPA Professional Ethics Exam; and 5) commit to abide by a set of professional rules of conduct. Individuals who become licensed must complete ongoing education and ethics requirements in order to maintain their license. Many CPAs become members of the American Institute of CPAs (AICPA) which requires its members to abide its own Code of Professional Conduct and Bylaws. Enforcement is handled by the Institute’s Professional Ethics Division.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Disciplinary Information (Item 3)**

There is no information to disclose with respect to this Item.

**Other Business Activities (Item 4)**

There is no information to disclose with respect to this Item.

**Additional Compensation (Item 5)**

There are no additional compensation arrangements for Dean Johns.

**Supervision (Item 6)**

John D. Dovich, President, (513) 579-9400, is responsible for supervising the activities of Dean. Mr. Dovich supervises Dean Johns by attending the firm's monthly management meetings and by interacting with him with respect to client accounts on a regular basis.

## **FORM ADV Part 2B -- BROCHURE SUPPLEMENT**

**SHAWN L. FISHBAUGH**  
**John D. Dovich & Associates, LLC**  
**625 Eden Park Drive, Suite 310**  
**Cincinnati, OH 45202**  
**(513) 579-9400**

**March 31, 2015**

This brochure supplement provides information about Shawn L. Fishbaugh that supplements the John D. Dovich & Associates, LLC (“Dovich & Associates”) brochure. You should have received a copy of that brochure. Please contact John D. Dovich at (513) 579-9400 if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Shawn L. Fishbaugh is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience (Item 2)**

Shawn Fishbaugh was born in 1963. He graduated from the University of Cincinnati in 1986 with a Bachelor’s of Business Administration Degree in Finance.

Shawn Fishbaugh holds the Chartered Financial Analyst® designation.

Since March of 2013 Shawn Fishbaugh has been employed by Dovich & Associates. He is the Chief Investment Officer, Chief Compliance Officer and an investment adviser representative/analyst. Shawn was previously employed as a Senior Portfolio Manager with Bartlett & Co from 10/1999–10/2011. Prior to joining our firm, he served as Senior Investment Advisor during his employment with PNC Wealth Management (11/2011–03/2013).

To earn the Chartered Financial Analyst charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **Disciplinary Information (Item 3)**

There is no information to disclose with respect to this Item.

**Other Business Activities (Item 4)**

There is no information to disclose with respect to this Item.

**Additional Compensation (Item 5)**

There are no additional compensation arrangements for Shawn Fishbaugh.

**Supervision (Item 6)**

John D. Dovich, President, (513) 579-9400, is responsible for supervising the activities of Shawn. Mr. Dovich supervises Shawn Fishbaugh by attending the firm's monthly management meetings and by interacting with him with respect to compliance responsibilities.