



April 24, 2015

# Investment Advisor Disclosure Document

## Wealth Management Form ADV Part 2A

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This brochure provides information about the qualification and business practices of Wellspring Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us. 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.

Wellspring Wealth Management LLC ("Wellspring Wealth") is an SEC-registered investment advisor. However, this registration does not imply a certain level of skill or training. Additional information about Wellspring Wealth Management LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

The Material Changes section of this brochure lists the material changes made since the last release of this brochure. This “summary” of changes will be made available to you at least annually.

If you would like to receive a complete copy of the Form ADV Part 2, you may obtain it by contacting us by telephone at: 404-634-1998, by email at [info@wellspringwealth.com](mailto:info@wellspringwealth.com) or on the internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search for us on this site by a unique identifying number, known as a CRD number. The CRD number for Wellspring Wealth is 134834. Please contact J. David Glover, Managing Director, if you have any questions about the contents of this brochure.

Material changes to the brochure since its last release (March 3, 2015) include:

- We have removed Taylor Williams as an employee of our holding company The Wellspring Group LLC and an Investment Adviser Representative of Wellspring Wealth Management LLC. He remains as one of 10 individual owners of The Wellspring Group LLC.
- We have updated our assets under management for discretionary accounts to \$135,411,600 over 218 accounts.

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## Item 4 - Advisory Business

Wellspring Wealth Management LLC (“Wellspring Wealth”), formerly known as InvestLinc Wealth Management Group LLC, was founded in 2005. We are an investment advisor registered with the Securities and Exchange Commission as required by the Investment Advisers Act of 1940. We are registered to conduct advisory business in six states. We have offices located in Georgia, Texas and Utah. We are 100% wholly owned by The Wellspring Group LLC. The Wellspring Group is owned by 10 individual members. They are:

John S. Adams  
Brian C. Friedman  
J. David Glover

Stephen T. Herlihy  
Scott D. Mathewson  
Gregory A. Raabe  
Byron L. Thorsen

Taylor N. Williams  
Kurt E. Wachholz  
Dennis R. Wright

Each member’s ownership interest is less than 20%. We have a business continuity plan in place that provides for the loss of communications, office locations, services or key people.

Wellspring Wealth provides various types of advisory services including asset management, third party program selection, portfolio monitoring, financial planning, consulting, and retainer services. Wellspring Wealth provides information in a separate disclosure brochure for its financial planning, consulting, and retainer services. If you would like more information on such services, you should contact your Investment Advisor Representatives (“IARs”) for a copy of the financial planning brochure that describes each service or go to [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

This brochure provides information about Wellspring Wealth and the following types of advisory services:

- Investment advisory services
- Third party program selection
- Portfolio monitoring services

Wealth management services are made available to clients primarily through individuals associated with Wellspring Wealth as IARs. For more information about the IAR providing advisory services, you should refer to the Brochure Supplement for the IAR. The Brochure Supplement, or Form ADV Part 2B, is a separate document that is provided by the IAR along with this Brochure before or at the time you engage the IAR. If you do not receive a Brochure Supplement from you IAR, you should contact the IAR or Wellspring Wealth at [info@wellspringwealth.com](mailto:info@wellspringwealth.com).

Our IARs rely on the information obtained from you and your other professionals (attorney, accountant, real estate agent, insurance agent, private banker, trust officer, stockbroker, etc.). We do not verify information received from you or your professionals. You are responsible for notifying us when there is any change in your financial situation and/or objectives that would impact the recommendations or services we provide.

As of April 24, 2015, our firm managed approximately \$135,411,600 in assets for approximately 218 accounts, all managed on a discretionary basis.

### *Investment Advisory Services*

You provide your investment goals and objectives to us to assist in managing your portfolio. We assist you in establishing the appropriate portfolio objective and suitable asset allocation.

We offer investment advisory services to you through an individually tailored investment portfolio. Your portfolio may consist of one or more accounts. Your portfolio is managed by a designated IAR. You authorize us to purchase and sell open and closed-end mutual funds, exchange traded funds and notes (ETFs and ETNs), Real Estate Investment Trust (REIT) funds, stocks and bonds that have been reviewed by our Investment Policy Committee. You authorize account management on either a discretionary or non-discretionary basis.

We do not custody assets. Accounts are held in your name at an independent custodian which may include LPL Financial and/or Schwab Institutional. Account statements are provided to you directly from your account custodian. We will provide periodic performance reports to you. The details of the account relationship are stated in your Advisory Agreement and the custodian's account paperwork.

Advisory services may be terminated by either party. Termination happens thirty days after receipt of a written notice by the other party. You may terminate the Advisory Agreement within five days of execution without penalty and receive a full refund of fees paid.

### *Third Party Program Selection*

We offer asset management services to you through third party programs. By participating in these programs, you may authorize a third party manager to purchase and sell mutual funds, equities, fixed income securities and other securities. Third party managers have discretionary authority over program accounts. You may place restrictions on their discretion.

We will assist you in selecting third party investment programs. Discretionary authority to hire and fire third party managers and reallocation of your assets to other investments is assumed by us. In addition to evaluating and recommending programs to you, we will review reports provided to you by the third party programs. Additionally, we will contact you periodically to review your financial situation and objectives, communicate information to the third party program manager as warranted, and assist you in understanding and evaluating the services provided by the third party program.

Performance reports are provided to you by the third party investment manager. Account relationship details are stated in the third party investment advisor's Form ADV and your program account agreement.

Termination of a third party program account is subject to the terms outlined in the program account agreement.

### *Portfolio Advisement Service*

We offer advisement service for your portfolios or investments held with other custodians. We do not have discretion nor execute the purchase or sale of investments. We will meet with you to determine an appropriate investment strategy that reflects your overall investment objectives and financial situation. We will then assist you in creating an appropriate asset allocation model and determine the various investment selections appropriate for your allocation. The number and type of investments recommended will be determined by you, the limitations of the accounts, and your financial objectives. We will monitor the investment allocation and meet with you periodically to review the appropriateness of the investments and allocations. Although we are not involved in the purchase or sale of these investments, we will supervise your portfolio and make recommendations to you as market factors or your needs dictate.

*Portfolio Monitoring Service*

We offer monitoring of your portfolios or investments held with other independent registered investment advisors. We are not involved in the purchase or sale of these investments. We will meet with you to review performance, asset allocation, tax issues, and changes in your objectives and/or situation. We will review various investments, including individual stocks and mutual funds, to determine their appropriateness given your financial objectives and situation. Your investments will be monitored quarterly, or as specified by you.

**Item 5 - Fees and Compensation***Investment Advisory Services*

Fees are billed quarterly per account and paid in advance. The fee is calculated based on the account value as of the last business day of the previous quarterly billing period. The account value includes cash but excludes restricted or self-directed assets. New accounts are billed the remaining days in the current billing quarter. Accounts at Schwab Institutional are billed on a calendar quarter with fees calculated on the actual number of days in the quarter. Accounts at LPL Financial are billed on a three month quarter starting with the month the account is opened. The fee charged is one quarter of the annual fee percentage. As a result of the difference in fee calculation, you may pay more or less during a quarterly billing period based on where your account is held. Terminated accounts are entitled to a prorated refund of any pre-paid quarterly fee based upon the number of days remaining in the billing quarter. Account fees are negotiable and vary by client. Below are generic fee schedules that are not specific to every client. The exact fee for services will be agreed upon and listed in the Advisory Agreement prior to services being provided.

**Flat Account Fee Rate**

Range from 0.25% to 1.25%

**Tiered Account Fee Rates**

Account Value	Fee
Up to \$1,000,000	1.50%
\$1,000,001 - \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.75%
\$5,000,001 and over	0.60%

Account fees are deducted from your brokerage account at the qualified custodian. We facilitate the billing process. You must consent in advance to direct debiting of your fees from your accounts. Custodians deliver your account statements at least quarterly directly to you. Account statements show all disbursements from your account. You are encouraged to review your account statements for accuracy. We will receive electronic access or duplicate copies of your account statements. In instances where direct debit is not obtained, you will be invoiced the account fee.

Your individual accounts, or third party program accounts, may incur additional charges and fees imposed by third parties. Third parties include custodians, mutual funds, and investment managers. These expenses are in addition to our account fee. Charges vary by third party, type of account, size of account, volume of activity, and type of investment. They are described in the custodian account agreements, investment prospectuses, and plan documents. Charges may include:

- Transaction charges for trade execution
- Mutual fund or money market 12b-1 and sub-transfer agent fees
- Mutual fund and money market management fees and administrative expenses
- Mutual fund transaction fees
- Administrative servicing fees for trust accounts

- Other custodial transaction charges and service fees outlined in the account agreement
- IRA and qualified retirement plan servicing fees
- Other charges required by law

We do not receive a portion of these charges or fees. Investment advisory services may cost more, or less, if provided by another investment advisor.

### *Third Party Program Selection*

Asset management fees are based on the value of assets under management through the third party investment advisor. Fees will vary by program. The amount of the fee will be outlined in the client agreement executed by you at the time the relationship is established. The asset management fee may be negotiable and may be payable quarterly in arrears or in advance. Fees will be based on the account assets as valued by the account custodian.

We typically receive fees ranging from .25% to 1.50% percent of your assets invested in a third party program. Schwab program asset management fee is charged separately from our fee. Our fee is included in all other third party program asset management fees. The portion of the advisory fee paid to us does not increase your management fee paid to the third party program. Your fee schedule related to our service will be disclosed to you in our client agreement. The compensation paid to us from each third party program may vary depending upon the agreement that we have with the third party program. We are paid more, or less, depending on the third party program. Third party program disclosure documents will further describe billing arrangements and service termination provisions. We do not control the billing features of third party programs.

Transaction charges related to third party programs will be clearly stated in the client agreement when the relationship is established. You may also incur charges imposed by third parties in connection with investments made through a program account.

A third party program account may cost you more, or less, than purchasing program services separately. Factors influencing the cost of a service provided through a program in relation to the cost of the same services purchased separately include:

- The type and size of the account
- The historical and/or expected size or number of trades
- The number and range of supplementary advisory and client services provided

Information on brokerage recommendations and practices are found in the third party program disclosure document. We do not recommend broker dealers for your third party program accounts.

### *Portfolio Advisement Service*

The annual fee for Portfolio Advisement Services will range from 0.25% to 1.00% of the account value based on the previous quarterly custodial statement for the assets under review. The fee will be based on the nature and complexity of your circumstances, and upon the Advisory Agreement. You will be invoiced quarterly in advance. You may negotiate fees.

### *Portfolio Monitoring Service*

The annual fee for Portfolio Monitoring Services will be charged as a flat fee by us, typically ranging from \$2,500 to \$25,000 depending on the assets under review, the nature and complexity of your

circumstances, and upon the Financial Planning Agreement. You will be invoiced quarterly in advance or arrears. You may negotiate fees.

#### *Compensation on the Transaction of Financial Products*

Our IARs are also registered as representatives of LPL Financial, a registered broker dealer and FINRA member. Our IARs are also insurance agents of Wellspring Associates, an independent life insurance agency. IARs will disclose to you when recommending products and services that will result in compensation being paid to them, our affiliates, our representatives or other third parties. Such compensation will be separate from the advisory fee and independent of the advisory services provided under a Client Agreement. Such non-Wellspring Wealth managed products may have varying compensation. You may purchase the same products or services from non-affiliated professionals for more or less. We monitor the activities of our IARs by tracking compensation and maintaining reports on sales incentives, gifts and business entertainment.

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

This item is not applicable. Wellspring Wealth and its IARs do not accept performance-based fees or perform side-by-side management.

### **Item 7 - Types of Clients**

We provide advisory services to individuals, families, trusts, and estates. Services may extend to entities related to you, such as business entities, partnerships, charitable organizations, and retirement accounts. Your relationship may vary in scope and length of service. A minimum household (related accounts together) value of \$1,000,000 generally is required for advisory services. If a prospective client does not meet our advisory minimums, we may decline an advisory relationship and/or recommend a brokerage relationship with a prospective client.

Refer to the third party program disclosure document for information on minimum account size requirements or any other conditions for managing an account.

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

#### *Methods of Analysis*

Your IAR utilizes the following sources of information for analysis and recommendations:

- Morningstar reports
- Fund prospectuses
- Financial newspapers and magazines
- Research materials prepared by third parties
- Corporate ratings services
- Company filings including annual reports, press releases, and SEC filings.

Your IAR chooses his own research methods, investment style and management philosophy. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.



We utilize an Investment Policy Committee (IPC). The IPC governs the investment advisory process. IPC members participate in conference calls, industry conferences, and meetings with fund and investment portfolio managers. IPC makes recommendations regarding asset allocation, mutual funds, ETFs and other investments. IARs may or may not follow these recommendations in providing investment advice. IPC also constructs asset allocation model portfolios and provides recommendations on the funds to populate the models.

### *Investment Strategies*

Your IAR obtains detailed financial and other pertinent information from you. The investment strategy for you is based upon your financial goals and objectives. You may change these objectives at any time. Your investment strategy is constructed for you and managed for your needs.

Your IAR will use strategic asset allocation as the primary investment strategy for your account. He may use open- and closed-end mutual funds, exchange traded funds and notes (ETFs and ETNs), Real Estate Investment Trust (REIT) funds, stocks and bonds as part of a your asset allocation. Various investments are utilized when opportunities exist. Accounts may be globally diversified to control the risk associated with traditional markets. He may also recommend unrelated, third party investment managers who have a greater expertise in certain disciplines when appropriate for you. He may advise you on other types of investments that are deemed appropriate, based on your financial objectives, income needs, investment time horizon, risk attitude, and investment experience.

### *Risk of Loss*

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. Investment risks involve the following:

- Systematic Risk: market or economic factors
- Interest Rate Risk: change in value and yield
- Inflation Risk: loss of value or buying power
- Currency Risk: loss due to monetary exchange rates with international investments
- Liquidity risk: inability to buy or sell an investment
- Sociopolitical Risk: instability in regions of the world can affect investment markets
- Management Risk: impact of bad company management decisions
- Credit Risk: default risk on borrowing
- Assessment Risk: ability to understand, determine and evaluate an investment

In addition to general risks associated with investing, certain products also have additional risks.

### *Alternative Strategy and Real Estate Investment Trust (REIT) Funds*

Certain mutual funds used in account allocations invest primarily in alternative investments and/or strategies (Alternatives). Investing in alternatives may not be suitable for all investors and involve special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.

*Closed-End Funds*

Closed-end funds (CEFs) are investment vehicles actively managed by investment advisors. They are distinguished by their unique features and benefits. Shares of CEFs are created through an initial public offering (IPO), after which they trade on an exchange, similar to stocks. As a result of trading on an exchange, CEFs will have both a market price and a net asset value (NAV). Market prices fluctuate based on supply and demand and typically trade above (premium) or below (discount) the fund's NAV. The primary negative effect of the closed-end structure is the possibility of illiquidity. Since shares cannot be purchased or sold directly through the fund company, there are limitations on trading volume. If an order is placed that would materially increase the day's trading volume above the average, the price rises to correct this increase in demand. Likewise, if an investor wishes to sell an unusually large number of shares, the price will drop to a level where there are enough investors willing to purchase this large number of shares. The potential effect of reduced liquidity is that CEFs can experience share price volatility above that of mutual funds.

*Exchange Traded Funds (ETFs)*

ETFs are typically investment companies that are legally classified as open-end mutual funds or unit investment trusts. However, they differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the selling and buying price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity. The spread is generally lower if the ETF has a lot of trading volume and market liquidity. Although many ETFs are registered with the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. Certain ETFs may be subject to unique tax consequences such as K-1 tax reporting and tax treatment for collectibles.

*Exchange Traded Notes (ETNs)*

An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets; for example, commodity futures, foreign currency, and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought and sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value. The ETN trades at the prevailing market price. The risks associated with a particular ETN are described in the prospectus. They include the issuer's ability to pay the principal, interest, or returns. The ETNs trading price can be adversely affected by credit ratings.

*Hedge Funds*

Hedge funds may be used when investors meet certain qualification standards. Hedge funds are not liquid. Investing in hedge funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity. In addition, hedge funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information.

## **Item 9 - Disciplinary Information**

As an investment advisor regulated by the SEC, Wellspring Wealth has not been subject to an SEC disciplinary event.

Jay Thacker, Chief Operating Officer for The Wellspring Group, the parent company of Wellspring Wealth, has had a disciplinary event. While Mr. Thacker was registered with the Financial Industry Regulatory Authority (“FINRA”) working as a supervisor for a former broker dealer, he was found to be in violation of FINRA’s rules related to his supervisory activities. Mr. Thacker consented to allegations involving the due diligence and approval of private placements that resulted in a suspension and fine of \$10,000 (2011). More information may be found on Mr. Thacker’s BrokerCheck report available at [www.finra.org](http://www.finra.org).

Mr. Thacker is no longer affiliated with the broker dealer involved in the allegation. He serves in an operational capacity for The Wellspring Group. He is not and was not involved in service of client advisory accounts or the selection of client advisory investments.

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

We receive operational support from our parent company, The Wellspring Group LLC. The Wellspring Group employs our associated persons.

We offer advisory and financial planning services through Wellspring Wealth Management LLC as discussed throughout this Form ADV. To the extent that we recommend you open an advisory account for which compensation is received by us, you are under no obligation to use our advisory services.

Our IARs are also registered representatives with LPL Financial. In such capacity, they may transact securities through LPL Financial and receive normal and customary commissions. See Compensation on the Transaction of Financial Products in Item 5 of this document for more information. You are under no obligation to purchase products from our IARs. LPL Financial is not affiliated with Wellspring Wealth or our parent company. However, LPL Financial has regulatory oversight and supervisory obligations for their registered representatives. As a result, they monitor the advisory activities of our IARs.

Our IARs are also licensed insurance agents of Wellspring Associates LLC, a registered insurance agency. In such capacity, they may transact insurance products and receive normal and customary commissions. See Compensation on the Transaction of Financial Products in Item 5 of this document for more information. You are under no obligation to purchase products from our IARs. Wellspring Wealth is affiliated with Wellspring Associates through our parent company.

Dennis Wright, one of our Managing Directors, serves as a Managing Director of Family Office Forum, LLC, a subsidiary of The Wellspring Group. Family Office Forum, LLC organizes conferences for single- and multi-family offices. Mr. Wright receives no compensation for his services.

Kurt Wachholz, our Chief Compliance Officer, is the technology officer for our parent company. He also serves as a supervisory principal with LPL Financial. He is the owner of a non-affiliated consulting firm.

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

### *Code of Ethics and Personal Trading*

We have adopted a Code of Ethics that covers our employees, directors, and advisory representatives. Our Code requires that we conduct all business dealings in an ethical fashion, and

encourages us to meet not only the technical requirements but also the spirit of the Code. We have a duty of care, loyalty, and honesty. We must act in your best interest.

Our Code requires us to comply with all federal securities laws. In addition, we are prohibited from defrauding, misleading, or manipulating you in providing our services. Further, we may not favor the interests of one client over another.

Our Code has guidelines regarding personal securities transactions, designed to prevent us from profiting personally, directly or indirectly, as a result of knowledge about a security or transactions. We are prohibited from acquiring securities in an initial public offering without prior written approval. We may at times buy or sell securities that are also held by you. Your orders are given priority over ours. Our personal trading is reviewed by our compliance department as well as the compliance department of LPL Financial.

A copy of our Code of Ethics is available to you upon request.

#### *Participation or Interest in Client Transactions*

We neither advise nor act on class actions, bankruptcies or other legal proceedings involving companies whose securities are held, or previously held, in your advisory account. This includes the filing of “Proofs of Claim” in class action settlements. You may direct us to transmit copies of class action notices to you or a designated third party. Upon such direction, we will forward notices promptly.

See Compensation on the Sale of Financial Products in Item 5 and the Code of Ethics and Personal Trading section above for more information.

You should understand that Wellspring Wealth and your IAR may perform advisory, brokerage, and/or insurance services for various other clients, and that Wellspring Wealth and your IAR may give advice or take actions for those other clients that differ from the advice given to you. The timing and nature of any action taken for an account may also be different.

## **Item 12 - Brokerage Practices**

#### *Selecting Brokers*

We participate in the Schwab Institutional (“SI”) services program offered to independent investment advisors by Charles Schwab & Company, Inc., a FINRA-registered broker dealer. We participate in the Strategic Wealth Management platforms offered to investment advisors by LPL Financial (“LPL”), a FINRA-registered broker dealer.

We recommend you establish brokerage accounts with the qualified custodians listed above. We are not affiliated with the custodians. Schwab and LPL generally do not charge separately for custody. They are compensated by you through commissions or other transaction-related fees from trades executed on their trading platforms or settled in your account. We evaluate the firms’ brokerage based on execution services, investment offering and quality of service. Schwab and LPL also make available to us other products and services that benefit us but may not benefit your accounts. These other services include:

- Access to client account data (such as trade confirmations and account statements)
- Trade execution software

- Investment research, pricing information and market data
- Direct debit of fees from accounts
- Recordkeeping (account paperwork, trade memorandums and statements)
- Practice management consulting, publications, and conferences
- Regulatory compliance assistance
- Technology and marketing assistance

These services are available to us on an unsolicited basis. They are intended to help manage and develop our advisory business. We pay five percent of our investment advisory fees to LPL and its clearing firm for our accounts custodied at Schwab. The fee is for regulatory oversight of those accounts. The fee is paid on a quarterly basis. You are not charged additional fees for this administrative service.

#### *Soft Dollar Practices*

We do not receive soft dollar benefits from custodians. We have implemented a policy that requires approval, reporting, and monitoring of soft dollar benefits.

#### *Directed Brokerage*

We will evaluate the use of any broker dealer not mentioned above on a case-by-case basis. If you direct us to use a particular broker dealer not mentioned above, we may not be able to achieve best execution such as negotiated commissions. Commissions charged may be more or less than those charged to other clients.

You may direct transactions for services or products to other professionals. IARs may also provide those services or products. See Compensation on the Sale of Financial Products in Item 5 of this document for more information.

#### *Trade Aggregation*

Since your account is managed individually, we do not aggregate your trades with others. Mutual fund trades do not provide an aggregation benefit. Non-aggregated trades in equity stocks may result in your paying higher brokerage costs.

### **Item 13 - Review of Accounts**

Your IAR conducts internal reviews of your account on a regular basis. Our Investment Policy Committee establishes and manages the general asset allocation models of our firm. The committee reviews, approves, and manages the investments available in the asset allocation models. Your IAR determines which investments from the model allocation become part of your account. The frequency of your account review is tailored to your individual needs. You may request a quarterly, semi-annual, or annual review. More frequent reviews may be triggered by material changes in your financial goals, objectives or status or in the market, political, or economic environment.

We may produce performance reports that consist of a breakdown of unrealized gains/losses, performance net of fees, performance history by asset class net of fees, and other items as you may request. Account custodians will transmit to you required trade confirmations and monthly or quarterly account statements. Such statements will typically show all transactions in cash and

securities and all deposits and withdrawals of principal and income during the preceding calendar month or quarter depending on activity.

Portfolio monitoring client relationships will be reviewed periodically as agreed upon at the inception of the relationship. Additional reviews may be provided to you at your request, subject to an additional fee.

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

### *Client Referrals*

We receive a number of referrals from existing clients and other professionals. These existing client and professional referrals have served as a basis for adding new clients. We do not pay clients for referrals.

We have entered into referral agreements with other professionals for compensation in the past. We may enter into referral arrangements in the future. Paid referrals are conducted in accordance with regulatory rules. Paid referrals are subject to a written agreement with us and disclosed to you in writing. When referring prospects to us, referrers are required to provide this disclosure document and a fee disclosure statement to each prospect. Referrers are paid a portion of the ongoing investment advisory account fee charged to the client by us. The referral portion is not in addition to the normal account fee. It is paid from it.

We may enter into referral agreements with independent third party investment advisors. IARs may receive compensation from the third party investment advisor in return for the referral account. Referrals that include compensation will be disclosed to clients.

### *Other Compensation*

We, our employees, and IARs may receive additional compensation from advisory product sponsors. IARs registered to transact brokerage and insurance products may also receive compensation from those product sponsors. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner, a ticket to a sporting event, or reimbursement in connection with education or training meetings or marketing or advertising initiatives. Our employees are required to report their gifts and business entertainment as part of our Code of Ethics.

## **Item 15 - Custody**

Your accounts are held at qualified custodians. The custodians provide statements directly to you. You should carefully review your account statements to confirm holdings and transactions. If you do not receive your account statement, contact our Chief Compliance Officer.

We may provide you with financial statements and reports as part of our service. We do not verify values outside of the advisory accounts we manage. Those values are based on what is provided to us by you or your other professionals.

We are deemed to have custody of your funds if certain conditions are met. Since we debit your advisory fees directly from your accounts, we have custody for that purpose. We do not have custody for any other purpose. We would be subject to additional regulatory requirements if we had custody beyond the debiting of advisory fees.

## **Item 16 - Investment Discretion**

You acknowledge and grant to us discretionary authority to manage certain accounts in the Investment Advisory Agreement. You also indicate any account restrictions, self directed assets, and non-discretionary assets. You must sign a limited power of attorney before we have discretionary authority over an account. The limited power of attorney is included in the custodian's account application. For accounts not held with our main custodians, you may need to sign a separate limited power of attorney to grant discretionary authority. Discretionary authority facilitates our placing trades in your account on your behalf. This allows us the ability to determine the securities to be bought or sold and the amount without obtaining your consent. In a non-discretionary capacity, we will consult with you prior to each trade for approval.

Third party program managers have full discretion over trades in their programs. They do not consult with us or you before placing trades.

## **Item 17 - Voting Client Securities**

We do not vote proxies for you. You retain the responsibility for receiving and voting proxies for securities held in your accounts. Your account custodian will send these to you or your designee. We may provide advice to you at your request regarding a securities proxy.

## **Item 18 - Financial Information**

We do not have a financial impairment that would preclude us from meeting our contractual commitments to you.

In addition, we do not act as custodian, have access to client account distributions beyond the direct debit of fees, or require the prepayment of fees from you of more than \$1,200 six months or more in advance. As a result, we are not required to provide you with our balance sheet.

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