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## ITEM 1: COVER PAGE

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**Part 2A of Form ADV – Firm Brochure  
Dated September 25, 2015**

**CRD #151298**



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Olympia, WA 98502

<http://www.financialadvocates.com>

This brochure provides information about the qualifications and business practices of Financial Advocates Investment Management, LLC. If you have any questions about the contents of this brochure, please contact **CHERYL KARBOSKI, CHIEF COMPLIANCE OFFICER** by telephone at (360) 866-2345 or by email at [ckarboski@financialadvocates.com](mailto:ckarboski@financialadvocates.com). The information in this brochure has not been approved by the United States Securities and Exchange Commission (SEC) or any state securities authority.

Please note that the use of the term “registered investment adviser” and description of Financial Advocates Investment Management, LLC (“FAIM”) and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and our associates. Additional information about FAIM and our associates is available on the SEC’s Investment Advisor Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ITEM 2. MATERIAL CHANGES

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This section of FAIM's brochure provides our clients and potential clients with a summary of material changes made to our Brochure since our last annual update. We will ensure that clients receive a summary of any material changes to this and subsequent FAIM Brochures within 120 days of the close of our fiscal year (June 30).

The date of our last annual update was September 2014.

There are no material changes to our Brochure since the last annual update.

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## ITEM 4. ADVISORY BUSINESS

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Financial Advocates Investment Management, LLC (“FAIM,” “us,” “we,” “our”) is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. FAIM is a limited liability company formed in the State of Washington. Our firm has been in business as an investment adviser since 2010 and is 100% owned by Financial Advocates, Inc. ([www.financialadvocates.com](http://www.financialadvocates.com)).

Our business model is based on a decentralized network of Investment Adviser Representatives (“IARs” or “Consultants”) with offices located in numerous states and cities. Although all of the IARs are registered with, and subject to oversight and supervision by, FAIM, they operate their businesses independently and some offices work under a separate business name or “DBA”. Because all of our IARs operate their businesses independently from one another, they have significant flexibility in providing tailored individualized investment advice to clients. FAIM’S home office in Olympia, WA, assists the IARs with marketing, back-office functions and compliance responsibilities.

As of August 31, 2015, we managed assets of approximately \$1,086,699,000 on a discretionary basis; we do not manage assets on a non-discretionary basis.

FAIM as a whole offers the following types of services: investment management, hourly consulting, financial planning and consultations, and pension consulting services. Individual IARs offer investment advice to clients utilizing some or all of these services. The following paragraphs describe our services and fees.

### Asset Management

As part of our asset management services we create a portfolio for each client, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and/or other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and, if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

In designing an investment portfolio for a client, we may work with a third party money manager, also an investment adviser, who is independent of FAIM. When we work with third party money managers, we’re utilizing that money manager’s experience and strategies, helping to develop a suitable portfolio for each client. We conduct ongoing due diligence on any money manager prior to working with them. We also have discretion authority to add and remove money managers

within your investment portfolio. We make sure other advisers are properly registered before we begin working with them.

### **Strategic Wealth Management**

FAIM offers a comprehensive, open-architecture, fee-based investment platform, Strategic Wealth Management (SWM), to clients through our custodian, LPL Financial. Through this platform, clients can consolidate multiple investments into one account and receive one statement. There is no minimum account size required for utilizing the SWM platform.

The program is available in two forms: SWM and SWM II. In the SWM program, clients pay all transaction fees directly. In the SWM II program, transaction fees are included in a single “wrap” fee that covers both advisory fees and transaction costs. Both SWM and SWM II are IAR-driven, meaning that the FAIM advisor selects the specific investments in accordance with client objectives, risk tolerance, and other requirements. More detailed information about the benefits and costs of SWM can be found in Item 5, below. More detailed information about the benefits and costs of SWM II can be found in our Wrap Fee Brochure.

### **Wrap Programs Sponsored by LPL Financial**

Most of our IARs are also registered with LPL Financial Corporation (“LPL”), an un-affiliated registered investment adviser and broker-dealer. We may provide advisory services through certain programs sponsored by LPL under a “wrap fee” program.

For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Form ADV 2A, LPL wrap fee brochure for the specific program, and applicable client agreement. Any LPL-sponsored advisory program becomes effective only when an authorized representative of FAIM has accepted the applicable paperwork and client agreement in writing.

For all of the LPL-sponsored advisory programs that FAIM offers, LPL serves as program sponsor, investment adviser and broker-dealer. FAIM also acts as investment adviser for these programs and will share in the management fees and may share in other fees associated with these accounts.

Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of the compensation we receive through wrap programs may be more or less than what we would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services. Similarly, services may cost clients more or less than if they paid for the services separately.

Where we earn additional compensation due to the client’s participation in a wrap fee program, we have a financial incentive to recommend these programs over other programs where our

compensation is lower. This creates a conflict of interest, which we mitigate by fully disclosing our compensation and the choices available to clients, and by making recommendations consistent with our fiduciary duties to clients.

When using LPL wrap programs, FAIM retains discretionary authority to select individual investments within the programs, but does not have discretionary authority to select new programs or to terminate existing programs; selection of a new wrap program would require new paperwork and client authorization.

### **Third Party Asset Management Programs**

FAIM makes available advisory services and programs of third party asset managers. Under these programs FAIM's IARs provide ongoing investment advice to clients that is tailored to the individual needs of the client, assisting the client in determining suitability of the program, setting investment objectives, and processing the paperwork with the third party asset manager. The IAR may also assist the client in selecting the model portfolio designed by the asset manager. When selecting third-party managers, FAIM retains discretionary authority to hire new managers or to terminate existing managers, but does not have discretionary authority to select individual investments.

### **FAIM as Model Portfolio Advisor**

Through the dba of Tallus Capital Management, FAIM acts as the Model Portfolio Advisor to a portfolio management overlay company, Placemark Investments. FAIM/Tallus creates a model portfolio that is published on a managed account platform administered and sponsored by Placemark Investments. As Model Portfolio Advisor, FAIM/Tallus provide advisory functions to the portfolio manager, such as portfolio construction and maintenance. At no time does FAIM/Tallus have discretionary authority or access to accounts administered by the portfolio manager. FAIM receives a fee on assets managed in the strategy (see Item 5 for details on fees).

The Tallus model portfolio, called the Tallus Triumvirate Portfolio, is a long/short strategy seeking to outperform the S&P 500 by allocating investments across four asset classes: total US stock market, bonds, gold, and cash. Asset classes within the portfolio are allocated with respect to the overall risk designation of the portfolio. Depending on the technical indicators, asset classes may move to cash or a short position through the use of mutual funds and ETFs. The portfolio strategy construct relies on the proprietary technical signals that have historically identified most changes in each separate asset buy trend. The strategy provides no assurance that the signals will result in a successful investment outcome and historical performance is not a guarantee of future results.

Placemark provides overlay management services to RIAs around the country. The Tallus portfolio is available to all RIAs and investment advisers registered to work with Placemark. Because Tallus is enrolled in the UMAX platform [multiple sleeves – if they put just a portion into one of those highly leveraged model, the portfolio overall would meet the LPL leverage restrictions] through TD Ameritrade Institutional, administered by Placemark, the direct clients

of Tallus would also have the ability to invest in the strategy advised by Tallus. In these cases, a dual role may exist where the direct client relationship is managed by an investment advisor representative of FAIM, whom also serves as a Model Portfolio Advisor to the strategy. The client pays an asset management fee on their account, but is also disclosed on the Model Portfolio Advisor fee of 60 basis points. The relationship between investment advisor representative and Model Portfolio Advisor is distinct and separate.

### **Consulting Services, Financial Planning**

Some FAIM IARs may offer consulting services, including financial planning. Financial planning services are based on an analysis of the client's current financial circumstances, goals, and objectives. Typically, financial planning and consulting services involve a process of information gathering by the IAR, analysis of the client's needs or goals, then preparation of a financial plan or other written report.

Financial Planning services or Hourly Consulting services may include analysis or discussion in one or more of the following areas:

- Charitable Planning
- Education Planning
- Cost Segregation Study
- Corporate Structure
- Real Estate Analysis
- Mortgage/Debt Analysis
- Insurance Analysis
- Lines of Credit Evaluation
- Business and Personal Financial Planning

Clients enter into a Consulting Agreement for financial planning and other consulting services. These services vary depending on each client's needs, but may include any of the above-listed services.

FAIM is not qualified to offer legal or accounting advice and we refer clients to an accountant, attorney or other specialist as necessary for non-advisory related services.

### **Comprehensive Financial Planning**

Generally, financial planning services are based on an analysis of the client's current financial circumstances, goals and objectives. This involves a process of information gathering by the IAR, then preparation of a financial plan or other written report. Specifically, Comprehensive Financial Planning will address each of the six key areas of financial planning:

- Financial Position

- Protection Planning
- Investment Planning
- Corporate and Personal Income Tax Planning
- Retirement Planning
- Estate Planning.

Our written financial plans provided to clients or financial planning consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs.

For Comprehensive Financial Planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. Financials plans or consultations are typically completed within six (6) months of a client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client. Clients are free to implement investment recommendations through brokers unaffiliated with FAIM or its IARs.

### **Hourly Consulting Services**

General hourly consulting services are provided for a variety of purposes including, not but limited to:

- Annual Update to Financial Plan
- Asset Allocation Recommendations
- Portfolio Management Recommendations
- Expert testimony
- Individual Issue Consulting
- Third party review (2<sup>nd</sup> opinion)

For Hourly consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our financial planning services. Implementation of any recommendations or next steps to be taken will be at the discretion of the client.

### **Investment Fiduciary & Retirement Plan Consulting**

We provide consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsor"). These services are offered to Sponsor on a one-time or ongoing basis. Generally, such pension consulting services consist of assisting Sponsor in establishing, monitoring and reviewing their company's



participant-directed retirement plan. As the needs of the Sponsor dictate, areas of advising could include but are not limited to: investment options, plan structure and participant education.

Where we offer Plan participants the option of using our Participant Advisory Services for discretionary investment management services, we'll enter into a separate agreement with that participant, describing our services and fees for that service. We also ask that the participant provide information that will help us understand their investment objectives. In providing this service, we are deemed to be a fiduciary and investment manager as defined in ERISA Section 3(38).

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge our fiduciary role within the meaning of Section 3(21) of ERISA, but only with respect to the provision of services described in the Services section of the Investment Fiduciary & Retirement Plan Consulting Agreement ("RPAC"). When providing any ERISA Fiduciary services we will solely be making recommendations to the Sponsor and the Sponsor retains full discretionary authority and/or control over the assets.

When entering into an RPAC agreement, the Plan Sponsor may select from a number of different services described below. With the exception of Participant advisory services, FAIM will be acting in a non-discretionary capacity and will solely be making recommendations to the Plan Sponsor. FAIM will not perform recordkeeping or brokerage services to the Plan. Neither FAIM nor the IAR will assume the duties of a trustee or a Plan Administrator, as defined in ERISA Sec. 3(16).

#### **Investment Fiduciary Services: Plan-Level**

- Recommendations to establish or revise the Plan's Investment Policy Statement ("IPS"),
- Recommendations to select and monitor the Designated Investment Alternatives ("DIAs"),
- Recommendations to select and monitor Qualified Default Investment Alternatives ("QDIAs")
- Recommendation to select and monitor other investment managers

#### **Investment Fiduciary Services: Participant Level**

- IAR will meet with Plan participants periodically, or upon reasonable request, to collect information necessary to provide individual participants investment advice and related services regarding the investment options available under the Plan.
- IAR will manage the Participant's account on a discretionary basis.

## Retirement Plan Consulting Services

- Administrative Support
  - Assist Plan Sponsor in reviewing objectives and options through the Plan
  - Review of Plan committee structure and administrative policies & procedures
  - Recommend participant education and communications policies under ERISA 404(c)
  - Assist with development/maintenance of fiduciary audit file and document retention policies
  - Delivery fiduciary training and/or education periodically or upon reasonable request.
  - Coordinate and reconcile participant disclosures under 404(a)(5)
  - Develop requirements for responding to participant requests
- Oversight of Relationship with Service Provider
  - Assist with process to select, monitor and replace service providers
  - Assist with review of Covered Service Providers disclosures under ERISA 408(b)(2) and fee benchmarking
  - Provide reports and/or information designed to assist with monitoring CSPs
  - Review ERISA Spending Accounts or Plan Expense Recapture Accounts
  - Assist with preparation and review of RFPs and/or RFIs
  - Coordinate and assist with CSP replacement and conversion
- Investments
  - Periodic review of investment policy in context of plan objectives
  - Assist Plan committee with monitoring investment performance
  - Provide analysis of investment managers and model portfolios
  - Review and recommend Designated Investment Managers and/or third-party advice providers as necessary
  - Education Plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)
- Participant Services
  - Facilitate group enrollment meetings
  - Coordinate employee education regarding plan investments and fees
  - Assist plan participants in understanding plan benefits, retirement readiness and impact of increasing deferrals.

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## ITEM 5. FEES AND COMPENSATION

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The following describes our fees so you will know how much you are charged and by whom for the advisory services we provide to you. Our fees are negotiable. Factors that may impact what we charge clients include, but may not be limited to:

- Scope of services rendered
- Complexity
- Size
- Number of plans / relationships with the client
- Number of participants
- Location of participants
- Number of meetings required

FAIM will not charge any fee that is not disclosed in this section of our Brochure. Clients may incur certain charges imposed by custodians, brokers, and third-party managers or other third parties that FAIM does not control. These charges can include such things as deferred sales charges, transfer taxes, wire transfer and electronic fund fees, brokerage account fees, and other fees, charges or taxes.

We charge on-going fees based on a percentage of assets under management, on an hourly basis, or on a flat fee basis. Depending on the wishes and needs of the client, we may provide different investment advisory services and charge the client in multiple ways; our fees will always be detailed in the signed written agreement between the client and FAIM. The circumstances and details of each of these options are described in this Section of our Brochure.

Upon engagement, the client has five (5) business days to terminate the contract and receive a full refund of any fees collected in advance without penalty.

In the event that you wish to terminate our services in the future, we will refund the unearned portion of our fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your engagement and process a pro-rata refund of unearned fees.

The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you.

We may pay compensation to third party money managers for services rendered to our clients and our firm. This compensation is typically equal to a percentage of the overall investment advisory fee charged by our firm or an agreed upon fixed fee. The advisory fee paid to third party money managers shall be negotiable in certain circumstances, but shall never exceed the overall amount in our published fee statement. We usually pay 25% to 50% of the overall advisory fee to third party money managers for their services.

### **Fees for Asset Management**

For Asset Management services our fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees will generally be automatically deducted from your managed account, although we may agree to bill a client directly on an exceptional basis for Asset Management services.

The following schedule is a guideline only, subject to a maximum annual percentage fee of 2%; all fees and account value tiers are subject to negotiation at the sole discretion of the IAR.

Assets Under Management	Annual Fee Charged
Less than \$500,000	2.00%
\$500,000 to \$1,000,000	1.75%
\$1,000,001 - \$3,000,000	1.50%
\$3,000,001 - \$10,000,000	1.00%
Over \$10,000,000	.50%

### **Fees for Investment Fiduciary Services and Retirement Plan Consulting**

#### **Investment Fiduciary Services (Plan Level) and Retirement Plan Consulting**

Due to the wide variance in complexity and scope of our work with Retirement Plan sponsors, as well as the requirements of Plan service providers, the method of billing and amount of fees charged for these services is negotiable. We offer two different billing options for Plan Sponsors at the Plan Level:

- Pay an asset-based fee of a percentage of the Plan assets, payable quarterly.
- Pay an annual flat fee, payable quarterly or in one lump sum on a specific date agreed to between Sponsor and FAIM

By default, our billing frequency is quarterly in arrears, but the Plan Sponsor can choose advance fee billing with any unearned fees to be refunded. The Plan Sponsor may choose whether to pay the fees from plan assets or from the Sponsor directly. Also, depending on a Plan's third party payor support, FAIM offers an option for direct billing.

Fees for Investment Fiduciary and Retirement Consulting services are fully negotiable between the FAIM IAR and the Plan Sponsor, but at no time will be greater than 2% of total plan assets.

#### **Investment Fiduciary Services (Participant Level)**

Account fees for Investment Fiduciary at the Participant Level (Participant Advisory Services) are charged separately from and in addition to fees charged at the Plan Level. Fees may be higher than the fees charged by other investment advisers for similar services. Fees include compensation paid to LPL Financial LLC ("LPL") and Morningstar Associates, LLC ("Morningstar") for maintaining the Advice Portal (the "Program Fee") and providing research and assistance with investment strategy (the "Strategist Fee").

Fees are charged in arrears, assessed at the beginning of each quarter for the previous quarter and based on the value of the covered assets as of the close of business on the last day of the

preceding quarter. The total fee charged to the client will be no more than 1.50% (inclusive of Program and Strategist fees). "Client" in this case refers to the participant only; separate fees apply to the Plan itself.

#### **LPL Financial Sponsored Advisory Programs**

The LPL-sponsored advisory programs we recommend to or select for clients are considered "wrap programs." This means the fee paid to LPL, the program sponsor, includes the program sponsor's investment management fee, the advisory fees of independent managers selected within the programs, the execution of the client's portfolio transactions without commission charge, and/or custodial services for the client's assets.

In evaluating wrap fee programs, a client should recognize that transactions are usually effected net, without commissions. A portion of the wrap fee is generally considered as being in lieu of commissions. Trades are generally executed only with LPL for the wrap fee programs we offer to clients. This means that the investment managers in the program may not be free to seek best price and execution by placing transactions with other broker-dealers away from LPL. No assurance can be given that LPL will be able to obtain best execution with respect to transactions effected for such programs. Given the level of portfolio activity in a client's account and other factors, it is possible the wrap fee may exceed the aggregate cost of such services than if they were provided separately.

As stated earlier in this section of our brochure, fees for these accounts are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees are deducted automatically from your account. The wrap fee brochure for the specific program will disclose the fees charged.

#### **Fees for Financial Planning or Consulting Services**

We charge on an hourly or flat fee basis for Financial Planning and Hourly Consulting services. Our hourly fees range from \$50.00 to \$300.00. The hourly fee charged by each IAR is determined by his or her experience, expertise, and typical market rate. Flat fees vary greatly and could range from a minimum of \$500 to a maximum of \$30,000. The total estimated fee, as well as the ultimate fee that we charge you, is determined by both the complexity and time estimated to adequately prepare the plan and the scope of our engagement with you.

Our consulting fees may be charged in advance. Particularly complex Financial Plans may require prepayment of a portion of the estimated fee for services. For lengthy engagements, interim payments may be requested. We will not collect more than \$1,200 in advance of the service provided, unless services are completed within six months of our receipt of the fees. Should we collect fees in excess of hours ultimately expended, or otherwise not complete the project, we will return any unearned amounts collected.

The total fee or balance due will be billed directly to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you.

### Additional Compensation We Receive

Members of our management team and most of our IARs are registered representatives with LPL Financial (LPL), a full-service securities broker-dealer and investment adviser. LPL is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investors Protection Corporation (“SIPC”). In their role as registered representatives they may accept compensation for the sale of securities or other investment products, including distribution or service (“trail”) fees from the sale of mutual funds.

Dual registration as representatives of a broker-dealer and an investment advisor presents a conflict of interest and gives the representative an incentive to recommend investment products based on the compensation received, rather than on the client’s needs. As a matter of policy, FAIM does not permit IARs to earn commissions or trails on transactions or assets held in advisory accounts. However, if a client establishes both an advisory account (advised by FAIM) and a brokerage account (through the unaffiliated broker-dealer where the FAIM IAR also functions as broker and could receive transaction-based compensation, as well as 12b-1 fees), the client and the IAR will establish the types of transactions that will be made in each account.

Transactions in LPL advisory program accounts are generally effected through LPL as the executing broker-dealer. We receive compensation as a result of a client’s participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what we would receive if the client participated in other programs, whether through LPL or another vendor, or paid separately for investment advice, brokerage and other services.

Our management and our IARs may also be licensed insurance agents through various insurance companies or own their own insurance agencies, unaffiliated with FAIM. In such a capacity, they may offer insurance products and receive normal and customary commissions as a result of such purchase.

We want you to be aware that the practice of accepting commissions for the sale of securities or other investment products presents a conflict of interest and gives an incentive to our firm and/or our IARs to recommend investment products based on the compensation received, rather than on your needs. We try to address these conflicts by clearly explaining this conflict to clients and, specifically, when recommending mutual funds with a “load,” or commission, that “no-load” funds are also available through our firm for investment advisory clients. You are not required to purchase investment products we recommend to you. You are also able to purchase investment products we recommend to you through another broker or agent that is not affiliated with us.

FAIM has no affiliation with LPL through ownership or control; however, as a participant in LPL’s hybrid investment adviser program, they provide us with certain benefits and resources. Some of these benefits include access to its custodial services, compliance assistance, training, administrative and back-office support, investment programs, and third-party managers.

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## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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We do not charge performance fees to our clients.

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## **ITEM 7. TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS**

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We provide investment advisory services to different types of clients, including:

- Individuals and High Net Worth Individuals
- Trusts, Estates or Charitable Organizations
- Pension and Profit Sharing Plans
- Corporations, limited liability companies and other business types

We provide our Investment Fiduciary & Retirement Plan Consulting services only to clients that are sponsors or other fiduciaries to retirement plans or to participants of those plans. This includes 401(k), 457(b), 403(b) and 401(a) plans; plans may be participant-directed defined contribution plans or defined benefit plans; plans may or may not be subject to ERISA.

- When opening or maintaining an account with us, or otherwise engaging us for investment advisory services, we have certain account and/or fee minimums, which include: LPL-sponsored programs require a minimum account balance (see details in the LPL wrap fee brochure for the specific program)
- We generally charge a minimum fee of \$50 for written financial plans.
- We do not require a minimum asset amount for retirement plan consulting services.
- We do not require a minimum account balance for asset management services.
- We do not charge a minimum fee for asset management services.

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## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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Our IARs work independently from one another and employ varying philosophies, strategies, and tools in their investment analysis and due diligence processes. Any one of our IARs could utilize the following methods of analysis and strategies:

- Fundamental
- Technical
- Quantitative
- Qualitative

Our IARs apply generally accepted investment theories so that investment choices for clients align with the client's investment needs and objectives and are made with the objective to reasonably diversify client assets to help minimize the risk of large losses and to provide the potential for varying degrees of long-term appreciation and capital preservation. We generally use a mix of equity and fixed income exposures to meet the risk-based categories identified in the client's Investment Policy Statement ("IPS"). IARs will diversify, reallocate and rebalance the investments and associated risk levels over time in accordance with generally accepted investment theories and consistent with the client's IPS. IARs may make recommendations for changes to the underlying investments and/or the asset allocation percentages of any Model Portfolios as well.

In the implementation of its analysis, FAIM Representatives use some or all of the following strategies at any given time:

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

*Short Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains. This difference in tax treatment is a disadvantage of short-term trades for taxable clients.

*Trading* – Representatives may use short-term trades (in general, selling securities within 30 days of purchasing the same securities) when managing your account(s). A Representative may sell a security soon after purchasing it on occasions when they determine that there is a reasonable basis for the sale and it is suitable given a client's stated investment objectives and tolerance for risk. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains, while losses realized on securities held 30 days or less are generally not tax deductible. These differences in tax treatment are disadvantages of short-term trades for taxable clients. There is also risk in that high velocity trading creates substantial transactions costs that in aggregate could negatively impact account performance.

*Short Sales* – securities transactions in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price. The risk associated with a short sale is the potential of unlimited loss should the underlying value of the short position increase in value instead of the anticipated decline. Another risk is buy-in risk. Once borrowed, the shares are subject to buy-in at any time, which could force the client to cover the short position at a disadvantageous time or price. Short sales require the use of margin, which may increase cost and risk. Additional costs include interest on the value of borrowed securities. Risks also include additional margin calls in response to market fluctuations or at the discretion of the custodian.



*Margin Transactions* – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. This allows the client to purchase more stock than they would otherwise be able to, based on the account's available cash, and would allow the Representative to purchase stock without selling other holdings, which is therefore a higher risk strategy. Securities purchased on margin are subject to liquidation, additional margin calls, and interest on the funds borrowed. Should the value of the securities decline, clients may be forced to deposit additional margin with limited notice, or to liquidate their securities at substantial losses.

*Option Purchases and Option Writing* – Purchasing a long option gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor writes (or sells) an option, he or she is obligated to deliver to the buyer of the option a specified number of shares (or the calculated money difference) if the buyer exercises the option. FAIM does not generally permit uncovered option writing in advisory accounts. The seller receives a premium in exchange for writing the option. Options are wasting assets and expire at pre-determined dates. Commission charges for options transactions may be higher than the charges assessed for other assets, such as individual equities.

### **Risk of Loss**

***Please note:*** *Investing in securities involves risk of loss that clients should be prepared to bear.* While the value of your investments could increase and your account(s) thereby enjoy a gain, it is also possible that the value of your investments could decrease and your account(s) thereby suffer a loss. It is important that you understand the risks associated with investing in the securities markets, that you be appropriately diversified in your investments, and that you ask us any questions you may have.

FAIM can recommend many different types of securities, including mutual funds, closed end funds, ETFs (including inverse and leveraged ETFs), allocation on variable annuity subaccounts, equities, warrants, fixed income securities, options, hedge funds, private placements and structured products. Investing in these securities and alternative investments involves the risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication or guarantee of future performance.

Described below are some particular risks associated with some types of investments FAIM may recommend. Risk is inseparable from return. Every investment involves some degree of risk, and both the degree of risk and the type of risk varies depending on the investment. For example, the risk of loss to principal can be very close to zero in the case of a US Treasury security, or very high for something such as a concentrated exposure to one specific foreign security. On the other

hand, purchasing power risk for a US Treasury security may be higher than the purchasing power risk of a higher-yield corporate bond or an equity. An understanding of risk in different forms can help clients to understand the opportunities, trade-offs and costs involved with different investment approaches. The principal risk of any investment is that despite any comprehensive analysis, the security or instrument will not perform as expected. This can be due to, among other things:

*Market Risk:* the success of client's portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses;

*Equity Risk:* investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets. A higher turnover rate, or increased trading may result in higher transactions costs and higher taxes in taxable accounts and may also affect the strategies' overall performance;

*Management Risk:* the strategies utilized by FAIM may not work in some market conditions; management risk could also influence mutual fund and ETF portfolio management teams;

*Fixed Income Risks:* investments in fixed income securities represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price/value. These risks represent the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high-yield, fixed income securities fluctuate more than high-quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High-yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss;

*Increased Regulations:* events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and

compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend credit or restrict trading activities could adversely impact profit potential;

*Market Liquidity Risks:* the value of securities held in client accounts that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in general. Market disruptions such as those that occurred in 1987, in September 2001, and more recently the “Flash Crash” in May 2010 (the biggest one-day point decline, 998.5 points, on an intraday basis in Dow Jones Industrial average history) could lead to violent price swings in securities held within client portfolios and could result in substantial losses;

*Small Capitalization Companies:* a portion of assets may be invested in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact client portfolios;

*Large Company Risk:* large cap stocks can perform differently from other segments of the equity market or from the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies;

*Short Sales, Leverage and Derivatives:* short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When such borrowing is deployed, losses can escalate quickly should investment suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions can also be subject to a “short squeeze” that could lead to accelerating losses for those short that particular security;

*Leverage Risk:* which may increase volatility of the portfolio;

*Price and Interest Rate Risk:* when interest rates change, the price of a bond is likely to adjust up or down so that its yield, based on the new price, is in line with the new level of interest rates. Interest rate risk is probably the most significant risk facing clients in fixed income securities because it affects all bonds similarly.

*Credit Risk:* the market’s perception of the bond issuer’s ability to pay interest and repay principal.

*Convertible Arbitrage Risk:* if interest rates on the convertible security rise, its value usually falls;

*Short Sales Risk:* if the value of a security sold short increases prior to the scheduled delivery date, the account must pay more for the security than it has received from the purchaser in the short sale;

*Options and Futures Risk:* the risk that the counter-party that wrote the option will be unable or unwilling to perform its obligations under the option contract, or the options may become illiquid and difficult to close. Options are a derivative of stocks. An option derives its value from the price of the underlying stock;

*Tax Risk:* FAIM in some cases may not manage client accounts with tax consequences in mind; some strategies, including transactions in options and futures contracts, can be subject to special tax rules, which may have adverse tax consequences for the account holder.

*Private Placements:* these instruments are exempt from registration under federal securities laws, have limited or no transparency as to the underlying investments, and are generally available only to “accredited” or “qualified investors,” who are assumed to be sophisticated purchasers who have little or no need for liquidity from such investments, and are able to withstand the loss of some or all of their investment. Limitations on withdrawal rights and non-tradability of interests create higher liquidity risk and such investments should be viewed as long-term investments. Clients do not have access to public information, and the securities purchased are deemed restricted, are not traded on a secondary market or exchange and the instrument is thus illiquid. Partnership and fee expenses may be a higher percentage of net assets than traditional investment strategies and may include performance or incentive fees. The duration of private fund investments with longer-term securities are more sensitive to interest rates and include the possibility of more volatility than other investments. This is not an exclusive list of potential or actual risks in any particular private placement. Potential investors should review the particular private offering memorandum for more complete risk and strategy information;

*Extraordinary Events:* global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure;

*Non-US Investments:* Client funds may be invested in securities (e.g., debt, equity, currencies, derivatives, etc.) of issuers domiciled outside the United States. Such investments expose a portfolio to a number of risks that may not exist in the domestic market alone. Such risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange

control regulation, withholding taxes, limitations on the removal of funds or other assets, possible nationalization of assets or industries, political difficulties, and political instability in foreign nations;

*Potential Concentration:* client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

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## **ITEM 9. DISCIPLINARY INFORMATION**

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Neither our firm nor any of our management persons have been subject to any material legal or disciplinary events.

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## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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As discussed in Item 5 above, members of FAIM's management team and most IARs are registered representatives of LPL Financial, member FINRA/SIPC. Management and IARs may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that the management and IAR recommend that a client invest in a security which results in a commission being paid to him/her. In addition, as a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about FAIM's clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact the CCO.

FAIM's has an affiliated investment adviser under common ownership and control, Financial Advocates Advisory Services, LLC ("FAAS"). This firm is run by the same management team, operating out of the same location as FAIM and using the same personnel and other resources. However, it operates under a different business model and IARs of FAAS are not also IARs of FAIM.

Some FAIM IARs are insurance agents appointed with various insurance companies and some IARs are insurance agents running their own insurance agency. This presents a conflict of interest to the extent that the agent recommends that a Client purchase insurance products which results in a commission being paid to that agent.

Clients are under no obligation to act upon any recommendation or affect any transactions through the IAR/agent if they decide to follow the recommendations made.

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## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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FAIM has established a Code of Ethics which applies to all of our associated persons, including our IARs. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all of our clients. Our fiduciary duty is the core underlying principle for our Code of Ethics.

We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understood, and agreed to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

We have established the following restrictions as they relate to our participation or interest in client transactions and personal transactions of supervised persons:

- No supervised persons of our firm may purchase, sell or hold any security in a manner calculated to create personal benefit to that supervised person. If a supervised person stands to materially benefit from an investment decision for a client, the supervised person must disclose the full nature of the interest and personal benefit.
- A supervised person cannot trade ahead of an advisory client when he or she is buying or selling the same securities for themselves personally.

This disclosure is provided to give all clients a summary of our Code of Ethics relating to transactions. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request and at no cost.

See Item 12 below for additional information regarding brokerage commissions.

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## **ITEM 12. BROKERAGE PRACTICES**

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### **Selecting and Recommending Broker-Dealers**

We recommend to clients one of several broker-dealers, or custodians, to provide custodial and execution services. We try to limit certain potential conflicts of interest in the broker-dealers we use.

- Neither FAIM nor its associated persons receive research or other products or services other than execution from a broker-dealer or other third party in connection with client securities transactions (“soft dollar benefits”).
- Neither FAIM nor its associated persons consider client referrals from a broker-dealer or third party in the selection or recommendation of a broker-dealer.
- Neither FAIM nor its associated persons have discretionary authority in making the determination of brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

When recommending a broker-dealer, we look at a number of factors, including the reasonableness of compensation. The factors we consider for the different custodians are described below.

#### **LPL Financial**

Our primary custodial relationship is with LPL Financial (“LPL”), member FINRA/SIPC. Our IARs are registered representatives with LPL. If the client desires to engage the IAR to provide brokerage services acting as a registered representative of LPL, the IAR will receive brokerage-related compensation for those services, such as commissions and/or trail fees. LPL provides information regarding such brokerage compensation at the time of a brokerage transaction. When considering whether to implement a recommendation through your IAR and LPL, clients should discuss with the IAR how LPL and the IAR will be compensated. Fees and Commissions may also be higher or lower than services provided by other vendors. Using our IARs to provide brokerage services for you creates a potential conflict of interest that may give an IAR an incentive to recommend services based on the compensation they will receive. This in no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us. Please refer to Item 5 of this brochure.

#### **Recommendation of other Broker-Dealers**

We may recommend that clients establish brokerage accounts with one of three broker-dealers other than LPL to maintain custody of client assets and effect trades for client accounts. We have no affiliation with any of these broker-dealers. These broker-dealers include:

- Charles Schwab & Co.
- Fidelity Investments
- TD Ameritrade

Clients are advised that there may be transaction charges involved when purchasing or selling securities. FAIM does not share in any portion of the brokerage fees/transaction charges imposed by broker-dealers. Additionally, the commission/transaction fees charged by one of the

broker-dealers we use may be higher or lower than those charged by other broker-dealer/custodians.

Through its relationship with a broker-dealer FAIM gains access to that firm's institutional trading and operations services, which are typically not available to retail clients. Those services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional clients or would require significantly higher minimum initial investments. The broker-dealer may also make available to FAIM other products and services that benefit FAIM but may not benefit its clients' accounts. These include technology that provide access to client account data, facilitation of trade execution, research, pricing information and other market data, facilitation of payment of FAIM's fees from its clients' accounts, and assistance with back-office support, recordkeeping and client reporting. These broker-dealers may also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

A broker-dealer may also provide various incentives to our IARs, including marketing provided by vendors paid for by the broker-dealer, waiver of ticket charges, and/or availability of systems which may be contingent on the quantity of business directed to a particular broker-dealer. A broker-dealer's fees may be discounted or waived for some of these services, or a third party may pay the fee. A broker-dealer may also provide other benefits, such as occasional business entertainment of our personnel.

For certain IARs, the availability of the foregoing products and services is not contingent upon FAIM committing to one broker-dealer any specific amount of business (assets in custody or trading). However, certain IARs don't have to pay for services or receive other benefits described above so long as they maintain client assets at a stated level. The availability of these services from a broker-dealer benefits FAIM's IARs because they do not have to produce or purchase them. Any commitment level may give the IAR an incentive to recommend that clients maintain their accounts with one broker-dealer over another based on the IAR's interest in receiving that firm's services that benefit their business rather than based on client interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest.

Although there are potential conflicts of interest with our recommendation of a particular broker-dealer, we believe that FAIM's recommendation of a custodian and broker is in the best interests of our clients. This belief is based on the scope, quality and price of the broker dealer's services and not those services that benefit only FAIM or its IARs.



### **Aggregation & Allocation of Client Orders**

For customized advisory services, IARs may aggregate transactions in equity and fixed income securities for a client with another client to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. IARs may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If IARs do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

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## **ITEM 13. REVIEW OF ACCOUNTS OR FINANCIAL PLANS**

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Mr. Gary Campbell, Managing Member, Ms. Cheryl Karboski, Chief Compliance Officer, or one of their delegated compliance team members conduct reviews of all client agreements and financial plans, as applicable.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to Comprehensive Financial Planning or Hourly Consulting clients, unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Investment Fiduciary and Retirement Plan Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to pension consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

Each IAR is ultimately responsible for reviewing his or her own clients' investment portfolios. IARs will continuously monitor the underlying securities within client accounts as well as any select third-party managers/programs. The frequency and content of any ongoing reviews done varies depending on the practices of any particular IAR and agreements with his or her clients.

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## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

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### **Suggestion of Brokers to Clients**

We recommend LPL Financial as the broker-dealer, or custodian, to clients. LPL is the broker-dealer with which our IARs are also associated. As a result of the individual association of our IARs with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts (see item 12 above).

### **Referral Fees**

We may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm. Such referral fees represent a share of the investment advisory fee we charge our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitor Agreements or Professional Advisor Alliance Program Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

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## **ITEM 15. CUSTODY**

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Custody is defined as our firm having any legal or actual ability to access client funds or securities. We strictly limit our access to the ability to withdraw funds for purchases of fee deduction for accounts being charged an asset-based management fee. The advisory agreement clients complete will define the circumstances for us to withdraw fees from your account.

All client assets are maintained with a qualified custodian, discussed earlier in this Brochure. Clients will receive at least quarterly statements from the qualified custodian that holds and maintains clients' investment assets. These statements are emailed or mailed to you at the email or mailing address you provide to us. We urge clients to carefully review their custodial account

statements and notify FAIM of any discrepancies as soon as possible, including any error they believe may have occurred in the fee calculation.

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## **ITEM 16. INVESTMENT DISCRETION**

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Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This agreement applies to our Asset Management service as well as LPL-sponsored advisory programs. This agreement becomes effective only at time of written acceptance by an authorized representative of FAIM.

Where we offer Plan participants the option of using our Participant Advisory Services for discretionary investment management services, will enter into a separate agreement with that participant, describing our services and fees for that service. We also ask that the participant provide information that will help us understand their investment objectives. In providing this service, we are deemed to be a fiduciary and investment manager as defined in ERISA Section 3(38).

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## **ITEM 17. VOTING CLIENT SECURITIES**

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We do not and will not accept authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

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## **ITEM 18. FINANCIAL INFORMATION**

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We are not required to provide financial information in this Brochure because:

- We do not require nor do we solicit prepayment of more than \$1,200 in fees, per client, six or more months in advance.
- We do not take custody of client funds or securities, other than fee deduction as detailed in Item 15.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.