



# ALLEGIS

## INVESTMENT ADVISORS

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### FORM ADV PART 2A - AW PORTFOLIOS & RPCS BROCHURE

This brochure provides information about the qualifications and business practices of Allegis Investment Advisors, LLC. If you have any questions about the contents of this brochure, contact us at 208-529-3462. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

## **Item 2 Summary of Material Changes**

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

As this is a new disclosure brochure, we have no material changes to report.

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## **Item 4 Advisory Business**

### **Description of Firm**

Allegis Investment Advisors, LLC is a registered investment adviser based in Idaho Falls, Idaho. We are organized as a limited liability company under the laws of the State of Idaho. Heath Bowen and Chris Miller are our principal owners.

The following paragraphs describe our services and fees. All persons authorized to provide investment advice on behalf of our firm must meet certain qualification requirements and are licensed as investment adviser representatives ("IAR") and may be referred to as "advisory representatives" or "IARs." As used in this brochure, the words "we," "our" and "us" refer to Allegis Investment Advisors, LLC ("AIA") and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm.

### **Types of Advisory Services**

We offer various types of advisory services and programs, including wrap programs, asset management programs, advisory programs offered by third party investment advisor firms, financial planning services, retirement plan consulting services, and other customized advisory services.

This Brochure provides information about our firm and the personalized advisory services we offer, specifically the portfolio management program that utilizes the Adams Wealth Portfolios as well as our retirement plan consulting services.

### **Portfolio Management Services**

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. We may also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

### **Retirement Plan Consulting Services**

We may offer retirement plan consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include any or all of these services:

- an existing plan review and analysis
- development or review of the Investment Policy Statement ("IPS")
- plan-level advice regarding fund selection and investment options,
- investment performance monitoring
- education and enrollment assistance to plan participants
- ongoing consulting

These retirement plan consulting services will generally be non-discretionary and advisory in nature. While we provide advisory services as a fiduciary under the Employee Retirement Income Security Act (ERISA), the ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

As indicated above, we may also assist with participant enrollment meetings and provide investment-related educational seminars or guidance to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon
- Distribution alternatives

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the retirement plan consulting agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

### **Wrap Fee Programs**

We sponsor of a wrap fee program, which is a type of investment program that provides clients with access to investment/portfolio management services for a bundled fee that includes administrative fees, management fees, and transaction costs. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by your selected custodian.

For more information concerning the Wrap Fee Program, see the Wrap Fee Program Brochure (*Appendix 1*).

### **Types of Investments**

We do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Therefore, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## **Assets Under Management**

As of June 1, 2015, Allegis Investment Advisors provides continuous management services for \$235,000,000 in client assets on a discretionary basis, and \$40,000,000 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<b>Assets Under Management (Non-Wrap Program)</b>	<b>Maximum Annual Fee</b>
Up to \$1,000,000	2.75%
\$ 1,000,001 - \$2,000,000	2.50%
\$2,000,001 - \$3,000,000	2.25%
Over \$3,000,000	2.00%

In addition to the advisory fees above, clients will pay a transaction charge for each transaction. The transaction charges are assessed by the broker/dealer executing the transaction and may be changed at any time by the broker/dealer.

<b>Assets Under Management (Wrap Program)</b>	<b>Maximum Annual Fee</b>
Up to \$1,000,000	3.00%
\$1,000,001 - \$2,000,000	2.75%
\$2,000,001 - \$3,000,000	2.50%
Over \$3,000,000	2.25%

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

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

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

### **Retirement Plan Consulting Services**

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

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

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. **The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders.**

These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. For assets held at our custodian relationship, we do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Certain advisory representatives with our firm are also registered representatives with Allegis Investment Services, LLC, an affiliated broker-dealer, registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products and/or variable insurance products. Compensation earned by these persons in their capacities as registered representative is separate and in addition to our advisory fees.

Similarly, certain advisory representatives of our firm are also licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

These affiliations and arrangements present a conflict of interest because advisory representatives who are also registered representatives of our affiliated broker-dealer or licensed insurance agents have an incentive to recommend securities and/or insurance products for the purpose of generating commission-based income rather than solely based on your needs. **However, you are under no obligation, contractually or otherwise, to purchase recommended securities products through our affiliated broker-dealer. You may purchase such investment products through unaffiliated brokers if you choose. We will disclose to you when recommendations could result in additional commission-based compensation.**

At our discretion, we may offset our advisory fees to the extent our advisory representatives earn commissions in their separate capacities as registered representatives and/or insurance agents.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension, retirement and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Certain portfolio management programs we offer may require a minimum investment amount. At our discretion, we may waive or lower such requirements, and we will typically household accounts for purposes of meeting investment minimums.

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

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

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

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

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

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

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

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



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

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

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

**Option Strategies** - An option is 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 sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

**Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

- Trading risks pertaining to option **buyers** are:
  - Risk of losing your entire investment in a relatively short period of time.
  - The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
  - Specific exercise provisions of a specific option contract may create risks.
- The option trading risks pertaining to option **sellers** are:
  - Options sold may be exercised at any time before expiration.
  - Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
  - Writers/sellers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
  - The value of the underlying stock may increase or decrease unexpectedly, leading to automatic exercises.
- Other option trading risks are:
  - Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
  - Internationally traded options have special risks due to timing across borders.

## Tax Considerations

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

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

## Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. **We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.** Our recommendations are highly reliant on the accuracy of the information provided to us by our clients. If a client were to provide us with inaccurate information, this could materially impact the quality and applicability of our recommendations.

## Recommendation of Particular Types of Securities

As disclosed under the *Advisory Business* section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it. Listed below are just a few of the more common types of investments and some of the risks associated with them.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In very general terms, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual funds and exchange traded funds ("ETFs") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative

companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Options and warrants give an investor the right to buy or sell a stock at some future time at a set price. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. The main difference between warrants and call options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months.

## **Item 9 Disciplinary Information**

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

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

As previously disclosed, certain advisory representatives are also licensed to offer or sell securities through Allegis Investment Services, LLC ("AIS"), an affiliated broker-dealer. AIS is a registered broker-dealer that specializes in the retail of mutual funds and variable products. Additional information about AIS is available on FINRA's BrokerCheck website. The searchable CRD number for Allegis Investment Services, LLC is 168557.

We are also affiliated with Allegis Insurance Agency, Inc. dba Allegis Advisor Group and Allegis Investment Services, LLC through common control and ownership.

Persons providing investment advice on behalf of our firm are licensed as insurance agents with Allegis Investment Advisor Group and registered as representatives with Allegis Investment Services, LLC. These persons will earn commission-based compensation for selling insurance and/or securities products, including 12b-1 fees for the sale of investment company products.

These arrangements present a conflict of interest because these persons recommend insurance or securities products generating commissions rather than solely based on your needs. While we believe that the fees charged by our affiliates are competitive, such fees may be higher than fees charged by other firms providing the same or similar services.

However, you are under no obligation, contractually or otherwise, to purchase such products through any person affiliated with our firm. Advisory representatives of our firm spend on average 20% of their professional time acting as product representatives/agents.

**All sales-based compensation is separate and in addition to our advisory fees. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by securities and insurance agents who are affiliated with our firm.**

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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

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

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

Neither our firm nor any of our related persons have any material financial interest in client transactions beyond the provision of investment advice and recommendations as disclosed in this brochure.

### **Personal Trading Practices**

We may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that firm employees shall not have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

Your assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies or transfer agent. Your assets are not held by our advisory firm or any associate of our firm.

We maintain relationships with multiple custodians/brokerage firms, and we will typically recommend that you establish an account with TD Ameritrade, Inc. ("TD Ameritrade"), Charles Schwab & Co., Inc. ("Schwab"), and/or Fidelity Brokerage Services, LLC (together with all affiliates, "Fidelity") for brokerage services, and trade execution.

We believe that the brokerage firms we recommend provide quality execution services for our clients at competitive and reasonable prices. While price is very important, it is not the sole factor we consider in evaluating overall best execution. We also consider and evaluate the quality of the custodial and brokerage services, including the firm's reputation and financial stability, execution capabilities, commission rates, technology, and responsiveness to our clients and our firm. The reasonableness of commissions/fees is based on several factors, including the broker's ability to provide volume discounts, execution price negotiations, prompt advisor support, and other services.

Currently, as a registered investment advisor we are able to leverage our relationships with these custodians to better serve our clients.

#### Receipt of Benefits from TD Ameritrade and Schwab

We have access to dedicated service and operations teams within TD Ameritrade and Schwab and other specialty support teams via their institutional platforms, which are not available to the public at large. As such, we may receive some additional benefits from TD Ameritrade and Schwab through our participation in their institutional programs.

#### **Research and Other Soft Dollar Benefits**

We do not receive any soft dollar benefits from any broker-dealer.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research. However, we may receive benefits such as assistance with conferences and educational meetings from product sponsors.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

#### **Block Trading and Allocation**

In an effort to obtain best execution and/or to negotiate more favorable commission rates, we may aggregate multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). Under this procedure, participating accounts will be treated fairly and no advisory client will be favored over any other client. Subject to our discretion regarding factual and market conditions, each account that participates in an aggregated order will pay the average share price for all transactions in that security on a given business day and will pay a proportionate share of all transaction costs. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

When we do not aggregate trades, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may therefore pay higher commissions, fees, and/or transaction costs than other clients. The Adviser shall not receive any additional compensation or remuneration as a result of the aggregation.

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

Your advisory representative will monitor your accounts on a periodic basis and will conduct a formal account review no less than annually to ensure the advisory services provided to you and/or that the portfolio mix is consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,

- security specific events, and/or,
- changes in your risk/return objectives.

You will receive periodic reports from our firm and/or from your account custodian.

We will review your financial plan only at your request. Otherwise, we do not review your financial plan. At your request, we may meet with you and/or your third-party money manager(s) to discuss asset allocation, but we will not make recommendations regarding specific investments or provide any regular written reports to you. If decide to implement the financial plan through us, we may waive charges for plan updates.

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

Currently, we do not compensate any individual or firm for client referrals. As disclosed above under *Item 12 Brokerage Practices*, we participate in TD Ameritrade's Institutional Program and Schwab's Institutional program, "Schwab Advisor Services." There is no direct link between our participation in the programs and the investment advice we give to our clients, although we receive economic benefits through our participation in the programs that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to block trading; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors.

Some of the products and services made available through the program may benefit our firm but may not benefit all our client accounts directly. The benefits received by our firm through participation in the programs do not depend on the amount of brokerage transactions directed to brokerage firm. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm in and of themselves creates a potential conflict of interest and may indirectly influence our choice for custody and brokerage services.

## **Item 15 Custody**

Provided we receive your written authorization, we will instruct your custodian to directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

Unless you direct us otherwise in writing, you will be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by you shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

We are not required to provide financial information to our clients because we do not require the prepayment of more than \$1,200 in fees more than six months in advance. Additionally, although we have custody, this custody is solely due to the direct withdrawal of fees. Moreover we do have discretionary authority. Consequently, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. We do not have any such financial condition. Finally, neither the firm nor any of our management persons have ever filed any bankruptcy petitions.

## **Item 19 Requirements for State-Registered Advisers**

Our firm is federally registered therefore this section is not applicable.

## **Item 20 Additional Information**

### **Your Privacy**

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

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

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

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

### **Trade Errors**

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

If your custodian is TD Ameritrade, all net gains from trade corrections will automatically be moved to a designated TD Ameritrade Error Account on a daily basis. TD Ameritrade will subsequently donate these funds to the American Red Cross or another 501(c)(3) charity that we may designate in the future.

If your custodian is Schwab, any net gain will remain in your account unless: the same error involved other client account(s) that should have received the gain; it is not permissible for you to retain the gain; or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account, Schwab will donate the amount of any gain \$100 and over to charity.

### **Class Action Lawsuits**

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