
Form ADV Part 2A – Appendix 1: Wrap Fee Program Brochure
Item 1: Cover Page
June 2015



**HORIZON WEALTH
MANAGEMENT, LLC**

Wrap Fee Program

Sponsored By:

Horizon Wealth Management, LLC
22 Calendar Court, 2nd Floor
La Grange, IL 60525

Firm Contact:
Ryan Williamson
Chief Compliance Officer

Firm Website Address:
www.horizonwealth.biz

This brochure provides information about the qualifications and business practices of Horizon Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (708) 352-4300 or email at ryan.williamson@lpl.com. 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 Horizon Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of Horizon Wealth Management, LLC 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 employees.

Item 2: Material Changes

Horizon Wealth Management, LLC is required to advise you of any material changes to our Wrap Fee Program Brochure ("Wrap Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure.

Since we are a new firm, our first annual update was filed on 02/27/2015 and we have the following material changes to disclose at this time:

- We expanded our disclosure around mutual fund share classes that may be used for client accounts that do not meet our minimum account balance. Please see Item 5 for additional information.
- We revised Item 6 to disclose that we generally manage client accounts according to asset allocation models.

Item 3: Table of Contents

<u>Section:</u>	<u>Page(s):</u>
Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Services, Fees & Compensation.....	4
Item 5: Account Requirements and Types of Clients	5
Item 6: Portfolio Manager Selection and Evaluation	6
Item 7: Client Information Provided to Portfolio Managers.....	10
Item 8: Client Contact with Portfolio Managers.....	10
Item 9: Additional Information.....	10

Item 4: Services, Fees & Compensation

- A. Description of our services, including the types of portfolio management services, provided under each program. We must indicate the wrap fee charged for each program, or, if fees vary according to a schedule, provide such schedule. Further, we are required to indicate whether fees are negotiable and identify the portion of the total fee, or range of fees, paid to portfolio managers.

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed according to the client's investment objectives, financial goals, risk tolerance, etc.

(i) Wrap Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio consisting of mutual funds, exchange traded funds ("ETFs"), and 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.

Fees:

Horizon Wealth Management, LLC's annual fees for Wrap Asset Management shall be based on a negotiated percentage of the market value of assets under management not to exceed 1.95%. Wrap Asset Management fees shall be listed on Schedule A of the Client Agreement.

Our firm's fees are pro-rated and paid quarterly in advance based on the value of your account on the last day of the previous quarter. Additionally, no increase in the annual fee shall be effective without prior written notification to the Client. Fees will generally be automatically deducted from your managed account. In rare cases, we will agree to directly bill the client. As part of the fee deduction process, please note the following:

- a) As the custodian, LPL Financial sends statements to Clients at least quarterly showing all disbursements for their account, including the amount of the advisory fees paid to our firm;
- b) LPL Financial calculates the advisory fees and deducts them from the Client's account;
- c) The Client has provided authorization permitting fees to be directly paid to the Adviser by these terms.

- B. Explanation that a wrap fee program may cost you more or less than purchasing such services separately and description of the factors that bear upon the relative cost of the program, such as the cost of the services if provided separately and the trading activity in your account(s).

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and the

fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

- C. Description of any fees that you may pay in addition to a wrap fee, and description of the circumstances under which you may pay these fees, including, if applicable, mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers.

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

- D. If someone recommending a wrap fee program to you, receives compensation as a result of your participation in the program, we must disclose this fact. Further, we are required to explain, if applicable, that the amount of the compensation may be more than what the person would receive if you participated in our other wrap fee program or paid separately for investment advice, brokerage and other services. Finally, we must explain that someone recommending a wrap fee program may have a financial incentive to recommend the wrap fee program over other programs or services.

We do not recommend or offer the wrap program services of other providers. Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

Item 5: Account Requirements and Types of Clients

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum aggregated account balance of \$250,000 for our Wrap Asset Management service. Generally, this minimum account balance requirement is negotiable and would be required throughout the course of the client's relationship with our firm.
- For accounts that do not meet our minimum account balance of \$250,000, we may use mutual fund share classes that have higher expense ratios. While these mutual fund share classes may not be the least expensive share class available, they reduce our annual trading costs, enabling us to charge a lower and reasonable Wrap Fee on these accounts. If we were to always use the lowest cost share class and thus incur higher trading costs, these costs would result in a higher Wrap Fee for these accounts. We believe that this approach is in the best

interests of our clients. Additionally, there are also instances where less expensive share classes are not available through our platform.

Types of clients we typically manage wrap fee accounts on behalf of, include:

- Individuals and High Net-Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types.

Item 6: Portfolio Manager Selection and Evaluation

- A. Description of how our firm selects and reviews portfolio managers, our basis for recommending or selecting portfolio managers for particular clients, and our criteria for replacing or recommending the replacement of portfolio managers for the program and for particular clients.

Our firm does not utilize outside portfolio managers. All accounts are managed by our in-house professionals.

- B. Disclosure of whether our firm or any related persons act as a portfolio manager for a wrap fee program described in the wrap fee program brochure. We must explain the conflicts of interest that we face because of this arrangement and describe how we address the conflicts of interest. Further, we must disclose whether related person portfolio managers are subject to the same selection and review as the other portfolio managers that participate in the wrap fee program. If they are not, we must describe how we select and review related person portfolio managers.

Our firm and its related persons act as portfolio manager(s) for this wrap fee program. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program. This is because we have chosen not to utilize outside portfolio managers.

- C. If our firm, or any of our supervised persons covered under or investment adviser registration, act as a portfolio manager for a wrap fee program described in the wrap fee program brochure, we must respond to Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities) of Part 2A of Form ADV (Firm Brochure).

Our firm and supervised persons act as portfolio manager(s) for this wrap fee program.

(1) Advisory Business:

See Item 4 for information about our wrap fee advisory program.

(2) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing our Wrap Asset Portfolio Management service.

(3) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Wrap Asset Management service. We do not manage assets through our other services.

(4) Participation in Wrap Fee Programs.

We only manage client assets on a Wrap-Fee basis. All accounts are managed according to the client's investment objectives, financial goals, risk tolerance, etc.

(5) Performance-Based Fees & Side-By-Side Management.

We do not charge performance fees to our clients.

(6) Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis:

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Sentimental Analysis: This type of analysis attempts to measure and track how optimistic or pessimistic people are in current market conditions. This analysis is designed to show how

a group feels about a particular security, the overall financial market, and/or the current economic environment, and serves as a gauge of future behaviors with investments.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Investment Strategies We Use:

Our firm uses asset allocation models to meet the individual needs of the client with regards to investment objectives, risk tolerance, and time horizons among other considerations. While models are used as the foundation for managing individual client accounts, deviations from the various allocation models are implemented to accommodate specific objectives or when appropriate to the client's situation.

Each asset allocation model will use one or more of the following investment strategies to varying degrees:

- Long Term Purchases (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);
- Trading (Securities Sold Within 30 Days);

Asset Allocation Model Categories:

Non-Retirement: The Non-Retirement strategy utilizes Mutual Funds and ETF's to attain a global asset allocation strategy. No securities are restricted and the primary holdings contain common stocks, bonds, cash, preferred stocks, convertible bonds and alternative investments. There are five models within this strategy: Aggressive Growth (100% equity), Growth (80% equity, 20% fixed income), Growth & Income (60% equity /40% fixed income), Income with Moderate Growth (40% equity /60% fixed income) and Income with Capital Preservation (20% equity /80% fixed income) allocation. The Funds and ETFs are both active and passively managed and the share class lowest in fees is always chosen. Municipal Bonds may be used in this strategy to capture tax-free income. Each model within this strategy is assigned a unique benchmark that is allocated in different weightings to the following broad asset classes: cash, international stock, large cap stocks, mid-cap stocks, small-cap stocks and bonds. The weightings of these asset classes coincide with the risk objective and overall equity/fixed income allocation of the model. Morningstar Direct is the primary source used to track allocation, historical returns, and analysis on fund selection.

Retirement: The Retirement strategy utilizes Mutual Funds and ETF's to attain a global asset allocation strategy. No securities are restricted and the primary holdings contain common stocks, bonds, cash, preferred stocks, convertible bonds and alternative investments. There are five models within this strategy: Aggressive Growth (100% equity), Growth (80% equity, 20% fixed income), Growth & Income (60% equity /40% fixed income), Income with Moderate Growth (40% equity /60% fixed income) and Income with Capital Preservation (20% equity /80% fixed income) allocation. The Funds and ETFs are both active and passively managed and the share class lowest in fees is always chosen. Municipal Bonds will not be used in this strategy since the strategy is for tax-deferred accounts only. Each model within this strategy is assigned a unique benchmark that is allocated in different weightings to the following broad asset classes: cash, international stock, large cap stocks, mid-cap stocks, small-cap stocks and bonds. The weightings of these asset classes coincide with the risk objective and overall equity/fixed income allocation of the model. Morningstar Direct is the primary source used to track allocation, historical returns, and analysis on fund selection.

Mutual Fund: The Mutual Fund strategy is for accounts with a maximum value of \$250,000. The models within this strategy will typically have less holdings than the other HWM models and are used for smaller accounts as well as a diversifier from HWM's other models for clients with multiple accounts. These models will hold Mutual Funds only. The Mutual Funds are used to achieve a global asset allocation containing common stocks, bonds, cash, preferred stocks, convertible bonds and alternative investments. There are 10 models within this strategy; five retirement and five non-retirement. The five risk tolerances for each non-retirement and retirement are Aggressive Growth (100% equity), Growth (80% equity, 20% fixed income), Growth & Income (60% equity /40% fixed income), Income with Moderate Growth (40% equity /60% fixed income) and Income with Capital Preservation (20% equity /80% fixed income) allocation. Each model within this strategy is assigned a unique benchmark that is allocated in different weightings to the following broad asset classes: cash, international stock, large cap stocks, mid-cap stocks, small-cap stocks and bonds. Morningstar Direct is the primary source used to track allocation, historical returns, and analysis on fund selection.

Technical: The Technical strategy uses technical analysis that evaluates securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses charts and other tools to identify patterns that can suggest future activity. The investments will consist of sector-specific ETF's to capture U.S, International and Emerging market equities and cash. The core investment of this strategy will be a broad based, stock market ETF. This strategy's benchmark is the S&P 500. Investment selection is done primarily through Lowry Research and LPL Financial.

Tax Aware: The Tax Aware strategy is designed specifically for clients where taxes are a primary concern. The underlying holdings in the ETF's and Mutual Funds within this strategy may vary, but no fixed income holdings will be chosen without at least an 80% minimum requirement in municipal bond holdings. The equity holdings will contain both ETF's and Mutual Funds with an emphasis on low cost and passive management. No securities are restricted and the primary holdings contain common stocks, bonds, cash, preferred stocks, convertible bonds and alternative investments, each with their own unique benchmarks. Morningstar Direct is the primary source used to track allocation, historical returns, and analysis on fund selection.

Please Note:

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

(7) Voting Client Securities

We do not accept the proxy 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.

Item 7: Client Information Provided to Portfolio Managers

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

Item 8: Client Contact with Portfolio Managers

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

Item 9: Additional Information

A. We are required to respond to: 1. Item 9 (Disciplinary Information); and 2. Item 10 (Other Financial Industry Activities and Affiliations) of Part 2A of Form ADV.

1. We have determined that our firm and management have no disciplinary information to disclose.
2. We have the following financial industry activities and affiliations to disclose:
 - a. Representatives of our firm are registered representatives of LPL Financial, LLC, member FINRA/SIPC. They may offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn. To minimize this conflict, our representatives will adhere to our firm's Code of Ethics and act in the best interest of the client.

- b. Horizon Wealth Management, LLC maintains a relationship with two CPAs from separate accounting firms. The accounting firm may provide income tax preparation or accounting services to our advisory clients. These services are independent of our financial planning and investment advisory services and are governed under a separate engagement agreement. Clients have the option of engaging the accounting firm for tax preparation or accounting services, however we do not actively solicit clients to utilize such services.
 - c. Representatives of our firm are licensed in insurance. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation the adviser and/or our supervised persons may earn. To minimize this conflict, our representatives will adhere to our firm's Code of Ethics and act in the best interest of the client. Additionally, clients are under no obligation to purchase insurance products from our firm's representatives.
- B. We are required to respond to: 1. Items 11 (Code of Ethics or Interest in Client Transactions and Personal Trading); 2. Item 13 (review of Accounts); 3. Item 14 (Client Referrals and Other Compensation); and 4. Item 18 (Financial Information) of Part 2A of Form ADV, as applicable to our wrap fee clients.

1. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts¹. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. 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.

Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. 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

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree 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. This disclosure is provided to give all clients a summary of our Code of Ethics. 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.

2. Review of Accounts

- a) Review of client accounts, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review

We formally review accounts on a semiannual basis for clients subscribing to our Wrap Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

- b) Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- c) Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to our Wrap Asset Management service.

3. Client Referrals & Other Compensation

- a) If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

Investment or Brokerage Discretion

We provide discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of each client. Accordingly, we are authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold. We do not have discretionary authority over the broker or dealer to be used.

Suggestion of Brokers to Clients

We shall recommend LPL Financial. LPL is the broker-dealer with which our representatives are also associated. As a result of the individual association of our representatives with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts. Our general policies relative to the execution of client securities brokerage transactions are as follows:

Execution of Brokerage Transactions (when applicable)

In seeking “best execution”, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. LPL also takes into consideration the full range of a broker-dealer’s services including execution capability, commission rates, and responsiveness. Although LPL will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for all account transactions.

Over-the-Counter (OTC) securities transactions are generally effected based on two (2) separate broker-dealers: (1) a “dealer” or “principal” acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client may also incur the transaction fee imposed by the executing broker-dealer. We do not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.

Transactions for each client account will be effected independently. We individually review each client’s account and place trades accordingly. Despite being purchased or sold at approximately the same time all clients’ transactions will incur individual transaction fees.

Additional Compensation

We may receive from LPL or a mutual fund company, without cost and/or at a discount non soft-dollar support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

We occasionally co-sponsor client events with financial assistance from various unaffiliated mutual fund companies. Such sponsorship is not in connection with client securities transactions (“soft dollar benefits”) and our clients do not pay more for investment transactions effected and/or assets maintained as result of this arrangement. Our firm only solicits financial assistance from mutual fund companies that we have conducted business

with over the previous year to ensure that there are no conditions imposed on our firm in return for such financial assistance. We make no commitment to any mutual fund company or institution as a result of these arrangements. Additionally, our clients are not solicited to invest in the sponsoring funds unless the investment is in the best interest of the client.

- b) If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors 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.

4. Financial Information

- a) If we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore we have not included a balance sheet for our most recent fiscal year.

- b) If we are an SEC-registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

- c) If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.