

# [FIRM NAME]

This brochure provides information about [FIRM]'s ("[COMMON NAME]") qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at [PHONE] or by email at [EMAIL]. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about [FIRM] is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a Registered Investment Advisor Firm. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

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## ITEM 1 – COVER PAGE ADV PART 2 A

[DATE]

CRD #: [CRD]

[ADDRESS]

[EMAIL]

([AREA CODE]) [PHONE]

[www. \[WEBSITE\].com](http://www.[WEBSITE].com)

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## ITEM 2 – MATERIAL CHANGES

This brochure, dated [DATE], has been prepared by [FIRM] to meet [SEC or STATE] requirements. As a new firm, we have no changes to report. In future filings, this section will only address material changes that have been incorporated since our last annual posting of this document on the public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

OR

This brochure, dated [DATE], has been prepared by [FIRM] to meet [SEC or STATE] requirements. This section of the brochure will address only those “material changes” that have been incorporated since our last annual posting of this document on the public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

It has changed materially since our [YEAR] annual offering in the following ways:

- Item 4.e: Assets under management have been updated.

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## ITEM 4 – ADVISORY BUSINESS

### 4a: Firm Description

[FIRM] was established in [MONTH] [YEAR] by [NAME]. Our main office is located in [CITY], [STATE].

#### 4a1: Principal Member(s)

- [NAME], [TITLE]: Mr./Ms. [NAME] may be contacted by email at [EMAIL] or by telephone at [PHONE].

### 4b: Types of Advisory Services

[FIRM] offers a variety of investment advisory services to our clients. We work with our clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients' financial goals and objectives. We may create a portfolio, consisting of, but not limited to individual stocks or bonds, exchange traded funds, no-load funds and/or load-waived funds (front-end commissions will not be charged).

Each portfolio will be initially designed to meet a particular investment goal, which [FIRM] has determined to be suitable to our client's circumstances. Once the appropriate portfolio has been determined, we will review the portfolio and rebalance the account based upon our client's individual needs, stated goals and objectives. [FIRM]'s strategy, generally, will be to seek to meet client investment objectives while providing clients with access to personal advisory services.

**ALSO IF HIRING SUB-ADVISORS:** As part of our investment advisory services, [FIRM] may recommend that you use the services of a third party investment adviser to manage a portion or all of your investment portfolio. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor performance to ensure its management and investment style remains aligned with your investment goals and objectives.

**IF FINANCIAL PLANNING:** [FIRM] offers financial planning services for our clients. We will prepare a written financial plan for all financial planning clients. The plan considers all of your assets, liabilities, goals and objectives and includes gathering all information necessary to provide you with appropriate and agreed upon services, which may include one or more of the following:

- Investment Planning
- Investment Policy Statements
- Financial Independence
- Retirement Planning
- Capital Needs Analysis (Goal Funding)
- Estate Planning
- Education Planning
- Risk Management (Life and Disability Insurance)
- Budgeting and Cash Flow Planning
- Disability Planning and Income Protection
- Debt Management
- Pension Consulting

You are encouraged to review your plans on a regular basis.

**CA ONLY:** Financial Planning includes, in all or part, but is not limited to, the preparation of a financial plan by an Investment Advisor or an associated person of an Investment Advisor for an investment advisory client which may include a state or tax planning recommendation, an annual or periodic review of a financial plan, the management and/or monitoring of a client's investments under a financial plan, a provision of information and/or advice to a

client regarding the purchase and/or sale of securities, real estate, insurance contracts, annuities contracts, or any types of real or personal property under a financial plan.

#### 4c: Client Tailored Relationships and Restrictions

As a fiduciary, [FIRM] always acts solely in your best interests. Your portfolio is customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored and if forced may result in the termination of our agreement.

Similarly, you are under no obligation to act upon [FIRM]'s or associated person's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through [FIRM] or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

#### 4d: Wrap Fee Program

[FIRM] does not sponsor nor provide portfolio management services to a wrap fee program.

OR

Information regarding our wrap fee program, [WRAP FEE NAME], can be found in a separate ADV Part 2 Appendix 1 brochure, which you will receive should you participate.

#### 4e: Assets under Management (AUM)

**NEW FIRM:** [FIRM], because it is a new RIA, currently does not have any reportable AUM.

**EXISTING FIRM:** [FIRM], as of December 31, [YEAR], has \$[AMOUNT] in discretionary reportable Assets under Management and \$[AMOUNT] in non-discretionary reportable Assets under Management for a total of \$[AMOUNT].

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## ITEM 5 – FEES AND COMPENSATION

### 5a, b & d: Fee Schedules, Payments & Options

#### *Investment Management*

Assets Under Management	Annual Fee (%)
Less than \$500,000	1.00%
\$500,000 to \$1,000,000	0.95%
\$1,000,001 to \$2,000,000	0.75%
\$2,000,001 to \$3,000,000	0.45%
\$3,000,001 and above	0.25%

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. In certain circumstances, fees may be negotiable.

The fee includes the time and activities necessary to work with your attorney and/or accountant in reaching agreement on solutions, as well as assisting them in implementation of all appropriate documents. We are not responsible for attorney or account fees charged to you as a result of the above activities.

Compensation for our services will be calculated in accordance with what is set in the client agreement. We may modify the terms of any agreement by written changes submitted to the client for signature. While we strive to maintain competitive fees, the same or similar services may be available from other firms at higher or lower fees.

[FIRM] fees are paid from your account by the custodian when we submit an invoice to them. If there is insufficient cash in your account to pay your fees, an equal balance of securities in your portfolio may be sold to pay our fee. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges. **WA ONLY:** When required by regulatory authorities, we will send copies of the invoice directly to the client.

[FIRM] fees are paid [MONTHLY, QUARTERLY, ANNUALLY ] in [ADVANCE, ARREARS ], with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, times the market value of the account, divided by the number of days in the year and multiplied by the number of days in the [MONTH, QUARTER, YEAR ]. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial [MONTHS, QUARTERS, YEARS ] at the commencement or termination of our agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the [MONTH, QUARTER, YEAR ]. [MONTHLY, QUARTERLY, ANNUALLY ] fee adjustments for additional assets received into the account during a [MONTH, QUARTER, YEAR ] or for partial withdrawals will also be provided on the above pro rata basis.

#### *Financial Planning*

Fees for financial planning services are based on a rate of \$[AMOUNT] per hour. Special arrangements can be made for clients wishing on-going financial planning services. These arrangements will be defined and agreed upon by both parties via the financial planning agreement. **OPTIONAL:** In certain cases, we may offer projects for a fixed fee, which are typically from \$[AMOUNT] to \$[AMOUNT], depending on the level, depth and complexity of service. Fixed fee services will also will be defined and agreed upon by both parties via the financial planning agreement.

Hourly financial planning fees are due at the time of service. Services performed on a fixed fee basis require a retainer equal to one-half the fixed fee. The remaining balance will be billed in equal installments on a monthly basis until the project is completed. If invoiced, they are due within ten (10) days of invoice. Special arrangements may be made with clients wishing ongoing financial planning services.

**For California Residents:** Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, if a conflict exists between the interests of the Advisor or its associated persons and the interest of the client; the client is under no obligation to act upon this Advisor's or associated person's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

#### **5.d.1: Termination**

Either [FIRM] or our clients can terminate our agreement upon receipt of written notice to the other party, to include written agreement to changes by the client.

When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the [MONTH, QUARTER, YEAR ] after termination. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full [MONTHLY, QUARTERLY, ANNUALLY ] custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. The custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

**For Washington residents:** WAC 460-24A-145(2.a) requires that “An investment adviser, except as provided in (b) of this subsection, shall deliver the materials required by this section to an advisory client or prospective advisory client (i) not less than forty-eight hours prior to entering into any investment advisory contract with such client or prospective client, or (ii) at the time of entering into any such contract, if the advisory client has a right to terminate the contract without penalty within five business days after entering into the contract.”

#### **5c: Third Party Fees**

In cases where a third party advisor or portfolio manager is used, a portion of our fee is used to pay them. You are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees we charge.

OR

You are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees we charge.

AND

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

#### **5e: Other Investment Compensation**

[FIRM] does not accept commission for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

[FIRM] does not charge advisory fees on the performance of funds or securities in your account.

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### **ITEM 7 – TYPES OF CLIENTS**

[FIRM] generally provides asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Trusts
- Estates
- Charitable Organizations
- Corporations

#### **Minimum Account Size**

[FIRM] does not have an account minimum. However, we may decline to accept clients with smaller portfolios.

OR

[FIRM] has an account minimum of \$[AMOUNT]. However, in certain conditions, we may decide to accept clients with smaller portfolios.

OR

[FIRM] does not have a minimum account size, but does have minimum fees, as stated in Item 5 above, depending on levels of service.

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

### 8a: Analysis

[FIRM] uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, financial magazines, research prepared by others, corporate rating services, prospectuses, company press releases, annual reports and filings with the SEC.

### 8b: Investment Strategies

[FIRM] utilizes multiple investment strategies to meet your investment objectives. These methodologies are formulated based on a comprehensive review and assessment of your expectations, investment time horizon, risk tolerance level, present investment allocation, and current and projected financial requirements.

Ultimately, each strategy must maximize return within reasonable and prudent levels of risk. Also, the approach taken must provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification. Finally, the costs of administering and managing the investments related to the strategy cannot be excessive.

### 8c: Risk of Loss

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

[FIRM] will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by [FIRM] with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any unauthorized act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

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## ITEM 9 – DISCIPLINARY INFORMATION

### 9a: Civil or Criminal Actions

[FIRM] and its managers have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court.

### 9b: Administrative Enforcement Proceedings

[FIRM] and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

### 9c: Self-Regulatory Organization Enforcement Proceedings

[FIRM] and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, [FIRM] and its managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

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

### **10a: Broker Dealers and Registered Representatives**

[FIRM] is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

OR

Some members of [FIRM] may be registered representatives of FINRA broker-dealer firms. Employees who are registered representatives are paid fees and/or commissions based on the services they provide, which may include 12b-1 fees. In cases where we receive fees and/or commissions on products, there may be a conflict of interest. At all times, you are free to choose outside broker-dealers to avoid the possibility of there being a conflict of interest.

### **10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither [FIRM] nor our employees hold any of the above registrations.

### **10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither [FIRM] nor our employees have any relationships or possible conflicts of interest as it relates to this advisory business.

OR

The principal business of [FIRM] is that of a registered investment advisor and provider of financial planning services. Some members of [FIRM] may be registered representatives of FINRA broker-dealer firms. Employees who are registered representatives may also be paid based on these services they provide, which may include 12b-1 fees. In cases where we receive additional payment, there may be a conflict of interest. At all times, you are free to choose outside broker-dealers to avoid the possibility of there being a conflict of interest.

OR

The principal business of [FIRM] is that of a registered investment advisor and provider of financial planning services. Some of our members may be Certified Public Accountants (CPA). Our CPA's do not have signatory authority. Employees who are CPA's may also be paid based on those services they provide. In cases where we receive additional payment, there may be a conflict of interest. At all times, you are free to choose an outside CPA to avoid the possibility of there being a conflict of interest.

OR

The principal business of [FIRM] is that of a registered investment advisor and provider of financial planning services. Some of our members may be insurance agents. Employees who are insurance agents may also be paid based on these services they provide. In cases where we receive additional payment, there may be a conflict of interest. At all times, you are free to choose an outside agency to avoid the possibility of there being a conflict of interest.

OR

The principal business of [FIRM] is that of a registered investment advisor and provider of financial planning services. Some of our members may be insurance agents and/or registered representatives of FINRA broker-dealer firms. Employees who are insurance agents and/or registered representatives of FINRA broker-dealer firms may also be

paid based on these services they provide. In cases where we receive additional payment, there may be a conflict of interest. At all times, you are free to choose an outside broker-dealer and/or agency to avoid the possibility of there being a conflict of interest.

AND/OR

[FIRM] may execute transactions with broker-dealers that pay a portion of 12b-1 fees to our principals. This interest conflicts with your interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, based on the "best execution" policy stated below that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

AND

[FIRM] will disclose any material conflict of interest relating to [FIRM], our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

**10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections**

[FIRM] is not paid for the selection of other advisors, asset managers or portfolio managers.

**OR SUBADVISOR**

[FIRM] may select sub-advisors for client accounts. We are not paid commissions or other benefits for these selections. A portion of our standard fee will be used to compensate the sub-advisor.

OR

[FIRM] receives a marketing, consulting or solicitation fee from investment advisors for referring either clients or other investment advisor solicitors who in turn refer clients to investment advisors. These fees range from [FEE INFORMATION]. When [FIRM] refers clients directly to investment advisors, we will receive the customary percentage of management fees stated in investment advisor's ADV and in Solicitors Written Disclosure Statement provided to you.

OR

[FIRM] has an agreement with and is compensated for our solicitor-referral services offered to [OTHER FIRM]. [OTHER FIRM] is an SEC-level registered investment advisor providing investment advisory services to our clients for compensation.

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

**11a: Code of Ethics Description**

[FIRM] follows the Code of Ethics for Certified Financial Planners. A copy of the code can be found at <http://www.cfp.net/learn/codeofethics.asp>.

OR

[FIRM] has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

[FIRM]'s Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

[FIRM]'s Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation)

On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time.

#### **11b, c & d: Participation or Interest in Client Transactions**

[FIRM], or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients' accounts before we buy or sell from our accounts. In some cases [FIRM], or its employees, may buy or sell securities for our own accounts and not for clients' accounts, as it may not meet the objectives or plans for the client.

[FIRM] will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

**For California Residents:** [FIRM] adheres to the California Code of Regulations, Title 10 Section 260.238 (k), (1), (2) and (o) which prohibits investment advisers from:

(k) Failing to disclose to a client in writing before entering into or renewing an advisory agreement with that client any material conflict of interest relating to the adviser, its representatives or any requires that of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice including:

(1) Compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services; and

(2) Charging a client an advisory fee for rendering advice without disclosing that a commission for executing securities transactions pursuant to such advice will be received by the adviser, its representatives or its employees, or that such advisory fee is being reduced by the amount of the commission earned by the adviser, its representatives or employees for the sale of securities to the client.

(o) Making any untrue statement of a material fact or omitting a statement of material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in the solicitation of advisory clients.

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## **ITEM 12 – BROKERAGE PRACTICES**

### **12a: Selecting Brokerage Firms**

As part of our services, [FIRM] will recommend a broker-dealer. We have selected our broker-dealers based on price, reliability, speed of processing, tools and "best execution" in addition to other considerations. And while you are not required to effect transactions through any broker-dealer recommended by us, we feel we have made our selections based on a totality of benefits they offer.

[FIRM] may purchase software, tools, training programs or seminar services from our broker-dealer. Additionally, broker-dealers may provide services, tools or other non-financial benefits to us as a benefit for using the broker-dealer's services. However, we endeavor at all times to put the interests of our clients first. You should be aware,

however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a broker-dealer.

To avoid creating a possible conflict of interest in recommending broker-dealers, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. [FIRM] adheres to our Code of Ethics as outlined in Item 11 above.
2. If [FIRM] receives separate compensation for transactions, we will fully disclose them.
3. [FIRM] emphasizes the unrestricted right of you to select and choose your own broker or dealer.
4. [FIRM] will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

OR

[FIRM] receives no “soft dollar” services (i.e., research or other products or services received in connection with client brokerage) from the discount broker-dealer. Under no circumstances will [FIRM], or its principals or associated persons, derive a commission from the discount broker-dealer. The availability of research is not a factor in selecting the discount broker-dealer to be utilized.

[FIRM] does not direct brokerage for research, client referrals or any “soft dollar” purpose. [FIRM] does not permit soft dollar arrangements under the safe harbor of Section 28(e) of the Security and Exchange Act of 1934, as amended.

#### **12.b: Sales Aggregation**

[FIRM] is authorized to aggregate purchases and sales and other transactions made for your account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. When we aggregate transactions, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise you in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to you.

OR

Because of the nature of our individualized services, [FIRM] does not generally aggregate (or bunch) trades when executing transactions. Bunching is generally done in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. Therefore, fees associated with services may be higher or lower than may be available through other financial services providers. However, [FIRM] acknowledges our fiduciary responsibility to provide best execution as can reasonably be expected under the circumstances available. You are encouraged to discuss any questions that may arise regarding investment policies throughout the course of engagement with us.

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## **ITEM 13 – REVIEW OF ACCOUNTS**

### **13a: Periodic Reviews**

Accounts are reviewed by [NAME] or qualified staff members. All reviews are either conducted or supervised by [NAME]. The frequency of reviews is determined based on your investment objectives, but no less than annually.

Financial planning clients receive their financial plans and recommendations at the time the service is completed. Depending on the type of financial planning service requested, we may meet on a regular basis with you to discuss any potential changes to your financial plan.

### **13b: Review Triggers**

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

### **13c: Regular Reports**

All investment advisory clients receive [FREQUENCY] written reports from [FIRM]. Financial planning clients do not normally receive investment reports.

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

### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

[FIRM] does not receive economic benefits from third parties for the advice we render to our clients.

### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

[FIRM] does not directly or indirectly compensate any person for client referrals.

OR

[FIRM] may pay a fee to individuals or entities that refer clients to us. Such persons are commonly called "solicitors."

We will not pay a solicitor a referral fee unless the following conditions are met:

- The solicitor is not subject to a regulatory enforcement order or been convicted of a serious crime within the past 10 years;
  - The solicitor and [FIRM] have entered into a written agreement that;
    - describes the activities and the fee the solicitor will receive;
    - contains an undertaking that the solicitor perform its activities in a manner consistent with [FIRM]'s instructions and relevant State law; and
    - requires the solicitor to provide the prospective client with [FIRM]'s ADV Part 2 A and B brochures, along with a written disclosure document; and
  - At the time of entering an advisory contract with a solicited client, [FIRM] obtains a dated acknowledgement of receipt of our Form ADV Part 2 A and B brochures.
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## **ITEM 15 – CUSTODY**

[FIRM] clients' accounts are held by a qualified custodian and other than to withdraw advisory fees, [FIRM] shall have no liability to the client for any loss or other harm to any property in the account. This includes harm to any property in the account resulting from the insolvency of the custodian or any unauthorized acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer. As a fiduciary, [FIRM] will always act in the client's best interests and in doing so, the above does not limit or modify that duty to our clients. Custodial statements will include fees charged by [FIRM]. We strongly urge you to review the investment advisory fees contained in the custodial statement for accuracy.

OR

[FIRM] has custody of client accounts limited to the withdrawal of fees and disbursement of funds to the address of record. For the convenience of the client, we will set up quarterly fee deduction ability from the client's account, when authorized by the client. [FIRM] does not take physical custody of client funds or securities.

[FIRM] will not have custody of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account if all of the following requirements are met:

- Clients' accounts are held by a qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution).
- Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of [FIRM]'s fee.
- Each billing period, we send clients a statement showing the value of the client's assets upon which we based the fee, the amount of the fee, and how we calculated the fee.
- We send the amount of our fee to the custodian.
- It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

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## ITEM 16 – INVESTMENT DISCRETION

[FIRM] asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

OR

[FIRM] asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

In certain circumstances, we will request non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

OR

[FIRM] has non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

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## ITEM 17 – VOTING CLIENT SECURITIES

[FIRM] may request written permission to vote proxies on your behalf. In cases where we are not granted permission to vote proxies, you will receive proxies or other solicitations directly from your custodian. If you have questions or concerns about any direct solicitations, you should contact us via the information provided on the cover page of this document.

OR

The clients of [FIRM] retain the authority to proxy vote and will continue to do so until we otherwise may agree in writing. You should ensure that proxy ballots are mailed directly to you by selecting this option on your custodial application forms. You are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form.

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## ITEM 18 – FINANCIAL INFORMATION

### 18a: Balance Sheet

**STATE** [FIRM] does not solicit prepayment of more than \$500 in fees per client six (6) months in advance.

**SEC** [FIRM] does not solicit prepayment of more than \$1,200 in fees per client six (6) months in advance.

### 18b: Financial Conditions

[FIRM] has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

### 18c: Bankruptcy Petition

[FIRM] has never been the subject of a bankruptcy petition.

OR

[FIRM] has not been the subject of a bankruptcy petition within the last ten (10) years.

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## ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

[FIRM] is an SEC registered firm.

OR

### 19a&b. Principal Executive Officers: Education, Background & Other Businesses

[FIRM]'s executive officer is [NAME]. [NAME]'s education and business background can be found below.

OR

[FIRM]'s executive officers are [NAME], [NAME], and [NAME]. Their education and business background information can be found below.

### 19c. How Performance Based Fees are Calculated and Degree of Risk to Clients

As stated above, [FIRM] does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### 19d. Material Disciplinary Disclosures for Management Persons of this Firm

Other than disclosures made in Item 9 above, neither [FIRM] nor our employees have been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding.

### 19e. Material Relationships Management Persons Have With Issuers of Securities

Neither [FIRM] nor our employees have any relevant material relationships with issuers of securities.

OR

Some members of [FIRM] may be registered representatives of FINRA broker-dealer firms. Employees who are registered representatives may also be paid based on these services they provide. In cases where we receive additional payment, there may be a conflict of interest. At all times, you are free to choose outside broker-dealers to avoid the possibility of there being a conflict of interest.

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**[INSERT IAR LAST NAME] PART 2B ITEM 1 - COVER PAGE ADV PART 2 B BROCHURE**

This supplemental information is about the [TYPE OF PERSON] of [FIRM] (“[COMMON NAME]”). Additional information about [FIRM] is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

[ADDRESS]

[EMAIL]

([AREA CODE]) [PHONE]

WWW. [WEBSITE].COM

---

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

[INSERT IAR NAME]

[EMAIL]

Year Born: 0000

Educational Background:

[INSERT DEGREE], [INSERT SPECIALTY] – [INSERT COLLEGE] ([YEAR])

[INSERT DEGREE], [INSERT SPECIALTY] – [INSERT COLLEGE] ([YEAR])

Business Background:

[INSERT MONTH/YEAR] – Present: [INSERT TITLE], [INSERT FIRM NAME]

[INSERT MONTH/YEAR] – [INSERT MONTH/YEAR]: [INSERT TITLE], [INSERT FIRM NAME]

[INSERT MONTH/YEAR] – [INSERT MONTH/YEAR]: [INSERT TITLE], [INSERT FIRM NAME]

[INSERT MONTH/YEAR] – [INSERT MONTH/YEAR]: [INSERT TITLE], [INSERT FIRM NAME]

Professional Qualifications:

Series 1, Registered Representative Examination ([YEAR])

Series 3, National Commodities Futures Examination ([YEAR])

Series 4, Registered Options Principal Examination ([YEAR])

Series 6, Investment Company Products/Variable Contracts Limited Representative Examination ([YEAR])

Series 7, General Securities Representative Examination ([YEAR])

Series 8, General Securities Sales Supervisor Examination ([YEAR])

Series 9/10, General Securities Sales Supervisor Examination ([YEAR])

Series 22, Direct Participation Programs Limited Representative Examination ([YEAR])

Series 24, General Securities Principal Examination ([YEAR])

Series 26, Investment Company Products/Variable Contracts Principal Examination ([YEAR])

Series 31, Futures Managed Funds Examination ([YEAR])

Series 51, Municipal Funds Securities Principal Examination ([YEAR])

Series 53, Municipal Securities Principal Examination ([YEAR])

Series 63, Uniform Securities Agent Laws ([YEAR])

Series 65, Uniform Investment Adviser Law Examination ([YEAR])

Series 66, Uniform Combined State Law Examination ([YEAR])

Professional Designation(s):

Accredited Asset Management Specialist (AAMS<sup>®</sup>)

Accredited in Business Valuation (ABV)

Accredited Estate Planner Fiduciary (AEP<sup>®</sup>)

Accredited Investment Fiduciary (AIF<sup>®</sup>)

Accredited Investment Fiduciary Analyst (AIFA<sup>®</sup>)

Accredited Wealth Management Advisor (AWMA<sup>®</sup>)

Chartered Advisor for Senior Living (CASL<sup>™</sup>)

Certified Estate Advisor (CEA®)  
Chartered Financial Analyst (CFA®)  
Certified Financial Planner (CFP®)  
Certified Fund Specialist (CFS®)  
Chartered Financial Consultant (ChFC®)  
Chartered Institute of Management Accounts (CIMA®)  
Certified Investment Management Consultant (CIMC®)  
Chartered Market Technician (CMT®)  
Chartered Life Underwriter (CLU®)  
Certified Public Accountant (CPA®)  
Certified Private Wealth Advisor (CPWA®)  
Chartered Retirement Planning Counselor (CRPC®)  
Chartered Retirement Plans Specialist (CRPS®)  
Certified Trust and Financial Advisor (CTFA®)  
Enrolled Agent (EA)  
Licensed Tax Preparer (LTP)  
Life Underwriters Training Council Fellow (LUTCF®)  
Personal Financial Specialist (PFS®)  
Qualified Plan Financial Consultant (QPFC™)  
Registered Financial Consultant (RFC®)  
Retirement Management Analyst (RMA®)  
Retirement Plans Associate (RPA®)

Explanation(s) of Designation(s):

AAMS® (Accredited Asset Management Specialist)

The growing emphasis on building lasting client relationships and gathering assets under management is changing the way the investment community conducts business. Many of the country's top investment firms were involved in developing the program, making it uniquely suited to the needs of today's investment professionals.

The College for Financial Planning® awards the Accredited Asset Management Specialist & AAMS® designation to students who:

- successfully complete the program;
- pass the final examination; and
- comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.

Continued use of the AAMS® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AAMS® designation by completing 16 hours of continuing education; reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self-disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and paying a biennial renewal fee of \$75.

ABV: (Accredited in Business Valuation)

The Accredited in Business Valuation (ABV) credential is for CPAs with extensive experience and who specialize in business valuation. The ABV program provides specialized access to information, education, tools, and support that enhance credential holders' ability to make a genuine difference for their clients and employers. The credential program allows credential holders to brand or position themselves as CPAs who are premier business valuation service providers. It lets a CPA's clients know he or she is an expert in this field and is an essential marketing tool for the CPA wishing to specialize in this area. The ABV credential is the most rigorous of the valuation certifications and holds the most prestige in the marketplace.

The ABV credential is exclusively granted by the AICPA to qualified CPAs. To qualify, a new ABV applicant must:

- Hold a valid and unrevoked CPA certificate issued by a legally constituted state authority.
- Pass the ABV examination. The content of the ABV exam has been developed to test a candidate's understanding of the business valuation body of knowledge generally accepted by the business valuation community.
- Upon successfully passing the ABV examination, complete the ABV credential application and pay the credential fee.

Sign a Declaration of Intent to comply with the requirements of ABV recertification.

AEP® : (Accredited Estate Planner Fiduciary)

The AEP designation is awarded by the National Association of Estate Planners & Councils to estate planners who have completed two graduate-level courses administered by The American College, meet specific professional requirements and who practice as one of the following: attorney, CPA, trust officer, CLU®, CFP® certificant or ChFC®.

AIF® / AIFA® : (Accredited Investment Fiduciary Analyst)

The AIFA® designation certifies that the recipient has advanced knowledge of fiduciary standards of care, their application to the investment management process, and procedures for assessing conformance by third parties to fiduciary standards. The certification is administered by the Center for Fiduciary Studies, LLC (CFS).

To be eligible to receive the AIFA® designation, individuals must have already completed the AIF training program, and passed the AIF exam. Additionally, the individual must have met a minimum prerequisite score based on the candidate's educational background, professional training and work experience. To receive the AIFA® designation, individuals must then complete a training program, successfully pass a comprehensive, closed-book final examination and agree to abide by the AIFA® Code of Ethics. In order to maintain the AIFA® designation, the individual must annually renew their affirmation of the AIFA® Code of Ethics and complete ten hours of continuing education credits.

AWMA® : (Accredited Wealth Management Advisor)

Individuals who hold the AWMA® designation have completed a course of study encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternatives. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct<sup>1</sup> and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

Individuals credentialed by the College for Financial Planning are required to adhere to Standards of Professional Conduct. As such, you can expect the following five tenets of professional conduct to be displayed when working with a designee:

- You can expect the designee to display integrity.
- Designees have agreed to provide professional services with integrity, honor, fairness, and dignity and to maintain your trust and confidence.
- You can expect the designee to provide objective advice
- You can expect the advice and services you are provided to be objective and impartial and the result of a thorough analysis of your goals, resources and current situation.
- You can expect the designee to be competent.
- Designees complete a rigorous education and examination process before being conferred the designation.

- Designees agree to maintain an adequate level of knowledge and skill and effectively apply that knowledge while recognizing its limitations. Completing continuing education every two years is required as part of the ongoing designation renewal requirements.
- You can expect your privacy to be protected.
- Designees have agreed to keep Client information confidential, disclosing only when authorized by you or compelled by law.
- You can expect the designee to display professionalism

Designees must comply with all state and federal laws and regulations as required and applicable as determined by the services they provide.

#### CASL™: (Chartered Advisor for Senior Living)

This designation provides advisors with the comprehensive skills to address the main concerns of this demographic, covering such items as financial, health, psychological and sociological issues. Candidates must pass an examination for the following five required courses to earn the designation: Investments, Fundamentals of Estate Planning, Understanding the Older Client, Health and Long-Term Care Financing and Financial Decisions for Retirement.

Candidates must meet experience requirements and ethical standards, including three years of business experience immediately preceding the date of use of the designation are required; an undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience and, when using formal education as qualifying experience, the remaining two years must immediately precede the date of the award. Each designee must complete 15 hours of continuing education every two years, with the additional condition that at least 10 of these hours should be in course work directly related to the course work required to obtain this designation.

#### CEA® : (Certified Estate Advisor)

The Certified Estate Advisor (CEA) Credentialing Program is a credentialing program for financial professionals specializing or wishing to specialize in estate planning and advising. NAFEP administers the CEA program and tests. Maintenance of your CEA® designation requires that you maintain your primary professional license (CPA, CFP, Insurance, Attorney, Securities). The continuing education and professional standards associated with each of these professional licenses meet all of the requirements for maintaining your CEA® designation. Additionally, you must pay your annual renewal fees. The NAFEP course material has been accepted by and meets the requirements of many state insurance departments and the CFP Board for 15 hours of continuing education credits.

#### CFA® : (Chartered Financial Analyst)

To earn this designation, you must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute's Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program.

The CFA Program is organized into three levels, each culminating in a six-hour exam. The major areas of study are Ethics, Quantitative Analysis, Economics, Accounting, Security Analysis, and Portfolio Management.

In addition to producing an array of industry-supported events, educational opportunities and publications, the CFA Institute has devised a volunteer-based education program that recommends that members complete a minimum of 20 hours of continued education (CE) activities, including a minimum of two hours of standards, ethics and regulatory education each calendar year. Members have autonomy over the activities they engage in as long as they follow two broad requirements: The activity should be educational in nature and geared toward increasing the knowledge, skills and abilities of an investment professional and the educational content should relate to one or more of the Topics for Investment Professionals (TIPs) or a topic that a member deems individually relevant for his or her unique professional responsibilities.

Members receive credit for their continuing education by keeping a CE journal and then receive recognition for meeting annual milestones in their programs. The CFA Institute recognizes these milestones by providing certificates signifying program completion and by publishing the names of CE members in CFA publications.

#### CFP® : (Certified Financial Planner)

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold a CFP® certification.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and as of January 2007, attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and Client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year);
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks. This requires 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and renewal of an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

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

#### CFS® : (Certified Fund Specialist)

The Certified Fund Specialist® (CFS®) designation demonstrates the advisor's expertise and commitment to understanding mutual funds and the ability to evaluate and compare financial measurements and benchmarks of the funds when constructing a portfolio.

There are four requirements for certification. One must pass three exams, complete one open-book study (a one page set of facts based on a hypothetical Client), fill out a registration form and complete a student questionnaire, and sign a code of ethics.

In addition, candidates must have at least 2,000 hours of work experience in the financial services industry or a bachelor's degree from an accredited college or university. The designation will not be granted until the required minimum number of hours has been fulfilled or a bachelor's degree has been granted.

Designees must report 30 hours of CE every 2 years as well as remitting an annual renewal fee.

#### ChFC® : (Chartered Financial Consultant)

This designation is a professional designation representing completion of a comprehensive course consisting of financial education, examinations and practical experience. Chartered Financial Consultant designations are granted by The American College upon completion of seven required courses and two elective courses. Those who earn the designation are understood to be knowledgeable in financial matters and to have the ability to provide sound advice.

In order to be considered for the program, the applicant must already have a minimum of three years working in the financial industry. In addition, it is recommended that applicants have a degree related to finance or business before applying as it will make the program much easier.

#### CIMA® : (Certified Investment Management Analyst)

This designation focuses on asset allocation, ethics, due diligence, risk measurement, investment policy and performance measurement. Only individuals with at least three years of professional experience are eligible to try to obtain this certification, which signifies a high level of investment management expertise. The Investment Management Consultants Association offers the CIMA courses.

Individuals who hold CIMA designations are required to prove their expertise through continual recertification, which requires CIMA designees to complete at least 40 hours of continuing education every two years.

#### CIMC® : (Certified Investment Management Consultant)

The CIMC® certification program is the only credential designed specifically for financial professionals who want to attain a level of competency as an advanced investment consultant. The CIMC® professional integrates a complex body of investment knowledge to provide objective investment advice and guidance to individuals and institutions. That knowledge is applied systematically and ethically to assist Clients in making prudent investment decisions.

The CIMC® certification program requires that candidates meet all eligibility requirements, including experience, education, examination, and ethics. There are five steps you must complete to earn the certification:

- Submit CIMC® Certification Program Application, fee, and undergo background check
- Pass the online Qualification Examination
- Schedule into and complete education program with Registered Education Provider
- Submit Certification Examination Application and fee and pass the online Certification Examination
- Sign licensing agreement, submit initial certification fee, and agree to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks.

Applicants must complete and submit the CIMC® Certification Program Application and application fee. The application requests contact information, work experience including the details of three years of financial services experience, and disclosure of any complaints and regulatory actions. Submission of an application will result in a background check conducted by IMCA's legal staff. Applications are valid for two years from the date they are processed by IMCA.

Following initial certification and authorization to use the CIMC® and Certified Investment Management Analyst<sup>SM</sup> marks, the CIMC® certification must be renewed every two years. By successfully completing IMCA's certification renewal requirements, CIMC® professionals demonstrate to the public that they are individuals who have voluntarily agreed to meet high standards of professionalism.

There are three requirements to renew the CIMC® certification:

1. Complete and report a minimum of 40 hours of continuing education (CE) credit, including two ethics hours.
2. Pay a certification renewal fee for your next two-year certification renewal period.
3. Sign and submit your continued adherence to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks, as well as disclose any federal/state regulatory actions or complaints.

## CLU® : (Chartered Life Underwriter)

To receive the CLU® designation, you must successfully complete all courses in your selected program, meet experience requirements and ethics standards, and agree to comply with The American College Code of Ethics and Procedures.

Three years of full-time business experience is required for all Huebner School designations. The three-year period must be within the five years preceding the date of the award. An undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience. Part-time qualifying business experience is credited toward the three-year requirement on an hourly basis, with 2,000 hours representing the equivalent of one year full-time experience. The following activities meet the required business experience qualifications included in the CLU® certification process.

### Insurance and Health Care:

Field underwriting and management, including sales and service activities, supervision and management of persons involved in sales or services, or staff support of persons in these activities.

Company management and operations in positions involving substantial responsibility.

### Financial Services and Employee Benefits:

Client service and related management, including direct contact with Clients, supervision and management of persons involved directly in the process of providing financial services or employee benefits, or staff support of persons in these activities.

Financial institution management and operations in positions involving substantial responsibility.

### Other:

University or college teaching of subjects related to the Huebner School curriculum on a full-time basis at an accredited institution of higher education.

Government regulatory service in a responsible administrative, supervisory, or operational capacity.

Activities directly or indirectly related to the protection, accumulation, conservation, or distribution of the economic value of human life; these include the work of actuaries, attorneys, CPAs, investment advisers, real estate investment advisers, stockbrokers, trust officers, or persons in other similar occupations

### Code of Ethics

To underscore the importance of ethics standards for Huebner School designations, the Board of Trustees adopted a Code of Ethics in 1984. Embodied in the Code are the Professional Pledge and eight Canons.

### Insurance and Health Care

"In all my professional relationships, I pledge myself to the following rule of ethical conduct: I shall, in light of all conditions surrounding those I serve, which I shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself."

### The Canons

1. Conduct yourself at all times with honor and dignity.
2. Avoid practices that would bring dishonor upon your profession or The American College.
3. Publicize your achievements in ways that enhance the integrity of your profession.
4. Continue your studies throughout your working life so as to maintain a high level of professional competence.
5. Do your utmost to attain a distinguished record of professional service.

6. Support the established institutions and organizations concerned with the integrity of your profession.
7. Participate in building your profession by encouraging and providing appropriate assistance to qualified persons pursuing professional studies.
8. Comply with all laws and regulations, particularly as they relate to professional and business activities.

#### Continuing Education

All CLU<sup>®</sup>s who matriculated after June 30, 1989 are subject to the PACE Recertification Program. If you are a CLU<sup>®</sup> who falls into any of the following specified categories, you are required to earn 30 hours of CE credit every two years:

- Licensed insurance agent/broker/consultant
- Licensed security representative/registered investment advisor
- Financial consultant, attorney, accountant, employee benefits specialist, and any other individual who provides insurance, employee benefits, financial planning, or estate planning advice and counsel to the public

#### CMT<sup>®</sup> : (Chartered Market Technician)

The Chartered Market Technician (CMT<sup>®</sup>) Program is a certification process in which candidates are required to demonstrate proficiency in a broad range of technical analysis subjects. Administered by the Accreditation Committee of the Market Technicians Association (MTA), Inc., the Program consists of three levels. CMT<sup>®</sup> Level 1 and CMT<sup>®</sup> Level 2 are multiple choice exams while CMT<sup>®</sup> Level 3 is in essay form. One must have been gainfully employed in a professional analytical or investment management capacity for a minimum period of three (3) years and must be regularly engaged in this capacity at the time of successfully passing all three (3) levels of the CMT<sup>®</sup> Exam.

#### CPA<sup>®</sup> : (Certified Public Accountant)

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

#### CPWA<sup>®</sup> : (Certified Private Wealth Advisor)

The Certified Private Wealth Advisor<sup>SM</sup> (CPWA<sup>®</sup>) designation program is an advanced credential created specifically for wealth managers and advisors who work with high-net-worth Clients on the life cycle of wealth: accumulation, preservation, and distribution. Candidates who earn this designation learn to identify and analyze challenges facing high-net-worth Clients and learn to develop specific strategies to minimize taxes, monetize and protect assets, maximize growth, and transfer wealth.

Following initial certification and authorization to use the CPWA<sup>®</sup> and Certified Private Wealth Advisor<sup>SM</sup> marks, the CPWA<sup>®</sup> designation must be renewed every two years. By successfully completing IMCA's designation renewal requirements, CPWA<sup>®</sup> professionals demonstrate to the public that they are individuals who have voluntarily agreed to meet high standards of professionalism.

There are three requirements to renew the CPWA<sup>®</sup> designation:

1. Complete and report a minimum of 40 hours of continuing education (CE) credit, including two ethics hours.
2. Pay a designation renewal fee for the next two-year designation renewal period.
3. Sign and submit a continued adherence to IMCA's Code of Professional Responsibility and Rules and Guidelines for Use of the Marks, as well as disclose any federal/state regulatory actions or complaints.

CRPC<sup>®</sup> : (Chartered Retirement Planning Counselor)

The CRPC<sup>®</sup> Program focuses on the pre- and post-retirement needs of individuals, allowing you to transform the retirement planning process into a positive experience. Enrollment in the program allows you to study a variety of principles in the retirement planning field. The program guides you through the retirement process from start to finish, addressing issues such as estate planning and asset management.

The College for Financial Planning<sup>®</sup> awards the Chartered Retirement Planning Counselors and CRPC<sup>®</sup> designation to students who:

Successfully complete the program;

- Pass the final examination; and
- Comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Students must sign and return the Code of Ethics forms within six months of passing the final exam. Failure to complete and submit the forms within this time frame may result in termination of the individual's candidacy. If an individual wishes to apply for authorization to use the Marks in the future, he or she may be required to fulfill the initial designation requirements in place at the time of passing the exam.

Successful students receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period.

Continued use of the CRPC<sup>®</sup> designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CRPC<sup>®</sup> designation by:

- Completing 16 hours of continuing education;
- Reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self-disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and
- Paying a biennial renewal fee.

CRPS<sup>®</sup> : (Chartered Retirement Plans Specialist)

The CRPS is specifically targeted at professionals who design, install, and maintain retirement plans for the business community. Applicants must also disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Successful students receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period.

Every two years, CRPS professionals must complete 16 hours of continuing education and pay a nominal fee to continue using the designation.

CTFA<sup>®</sup>: (Certified Trust and Financial Advisor)

You must meet the following prerequisites to qualify to take the CTFA<sup>®</sup> certification examination:

### 1. Professional Experience and Education

A minimum of three (3) years' experience in wealth management as well as completion of one of the following ICB-approved wealth management training programs:

- ABA Trust Schools, American Bankers Association
- AIB Personal Trust Diploma and the ABA Online Review Course for the CTFA<sup>®</sup> Examination, American Bankers Association\*
- Cannon Financial Institute Trust Schools
- Campbell University's Trust & Investment Management Program
- Southern Trust School
- Five (5) years' experience in wealth management and a bachelor's degree, or
- Ten (10) years' experience in wealth management

### 2. Professional Reference

- One letter of recommendation is required from your manager attesting to your qualifications for certification, including your wealth management experience and your ethical character. The letter must be signed and on corporate letterhead.
- Wealth management experience is defined as direct experience in the various facets of delivering financial planning and fiduciary services relating to trusts, estates, IRAs and individual asset management accounts. This experience further includes providing administrative, investment management, tax, legal and marketing services. Please note -- experience in employee benefit trust, corporate trust or securities/trust operations does not qualify as wealth management experience.

### 3. Ethics Statement

Each candidate must sign ICB's Professional Code of Ethics statement. Please note -- you must furnish all pertinent information about any convictions or pleas of nolo contendere on the grounds of fraud, embezzlement, unfair or deceptive practices, securities law violations, misappropriation of property, fraudulent conversations or any civil or administrative action from which you have been previously found liable.

### 4. Application

You must complete and submit the application. You are required to meet the eligibility requirements at the time that you submit your application.

Maintenance requirements

To maintain your CTFA in good standing, you must adhere to ICB's Professional Code of Ethics, pay an annual fee, and complete 45 credits of continuing education every three years, with a minimum of six hours in each of four knowledge areas. In addition, you are required to complete three continuing education credits in Ethics.

EA: (Enrolled Agent)

An enrolled agent (EA) is a person who has earned the privilege of practicing, that is, representing taxpayers, before the Internal Revenue Service. Enrolled agents, like attorneys and certified public accountants (CPAs), are unrestricted

as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can practice before.

There are two tracks to becoming an enrolled agent. The two tracks are:

1. Written examination. You can become an enrolled agent by demonstrating special competence in tax matters by taking a written examination. This track requires that you -
  - Apply to take the Special Enrollment Examination (SEE);
  - Achieve passing scores on all parts of the SEE;
  - Apply for enrollment; and
  - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.
2. IRS experience. You can become an enrolled agent by virtue of past service and technical experience with the IRS that qualifies you for enrollment. This track requires that you -
  - Possess the years of past service and technical experience;
  - Apply for enrollment; and
  - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.

More information regarding enrolled agents is available at <http://www.irs.gov>.

#### LTP: (Licensed Tax Preparer)

A tax preparer license from the Oregon Board of Tax Practitioners enables you to lawfully prepare personal income tax returns in Oregon for a fee or valuable consideration. A tax preparer must work under the supervision of a licensed tax consultant, a certified public accountant, a public accountant, or an attorney-at-law.

To be a licensed tax preparer in Oregon, you must pass an examination administered by the Board staff or a proctor authorized by the Board to administer exams. Passing the tax preparer examination requires careful and comprehensive preparation, including successful completion of an 80-hour basic tax course or its equivalent. The tax consultant examination is based on experience and knowledge gained as a working tax consultant and through continuing-education courses, individual study and research.

To become licensed as a tax preparer:

- You must be at least 18 years old and possess a high school or general equivalency diploma (GED).
- You must complete an 80-hour basic tax course or its equivalent, although you may apply to take the examination before your 80-hour basic tax course is completed. Tax preparer applicants must retake the basic tax course, if after three (3) years from basic course completion date; the applicant has not yet passed the preparer exam.
- You may submit transcripts and course summaries of college courses with your application in lieu of the 80-hour basic tax course; however, the acceptance of alternative tax-related courses will be at the discretion of the Board, per OAR 800-020-0015(3).
- You must pass the tax preparer examination administered by the Board with a score of 75 percent or higher.

#### LUTCF<sup>®</sup>: (Life Underwriters Training Council Fellow)

Program Completion Requirements:

If you have completed all course requirements (earned 300 designation credits and completed the ethics course requirement), you must complete the following steps to earn the LUTCF and/or FSS designation:

- Be a member of a local association of NAIFA. Contact your local association or NAIFA at 877-TO-NAIFA for a membership application.
- Complete and submit a designation application to The American College and provide evidence of the above membership.

#### PFS<sup>®</sup>: (Personal Financial Specialist)

The requirements for the Personal Financial Specialist (PFS<sup>®</sup>) credential are established by the PFP staff at the AICPA, the National Accreditation Commission, along with the PFS<sup>®</sup> Credential Committee, and accurately reflect the depth and breadth of experience and technical expertise required to obtain this credential.

More information on each of these requirements is available in the PFS<sup>®</sup> Credential Application Kit. Completion of these five requirements allows a candidate to apply for the PFS<sup>®</sup> credential.

Upon approval, the candidate will become a member of an exclusive community of CPA financial planners: The PFS<sup>®</sup> credential holders. Initial certification is good for a three year period.

The 5 major requirements are:

1. Obtain the CPA License
2. Join the AICPA and be a member in good standing
3. Complete comprehensive PFP Education
4. Attain a specified level of PFP Experience
5. Pass a PFP Examination

To maintain an active PFS<sup>®</sup> Credential, PFS<sup>®</sup> Credential holders must pay an annual renewal fee and meet the following PFS recertification requirements every three years:

- Regular membership in good standing in the AICPA
- A valid and unrevoked CPA certificate issued by a legally constituted state authority
- 60 hours of CPE related to the PFP Body of Knowledge (AICPA education options)
- Submission of a Statement of Intent to continue to comply with all recertification requirements

QPFC™: (Qualified Plan Financial Consultant)

QPFC is the professional credential for financial professionals who sell, advise, market or support qualified retirement plans. The QPFC program provides an understanding of general retirement planning concepts, terminology, distinctive features of qualified plans and the role of retirement plan professionals. A candidate will be expected to demonstrate a general proficiency of plan administration, compliance, investment, fiduciary, and ethics issues.

Earning ASPPA's QPFC credential requires successful completion of the following examinations: Retirement Plan Fundamentals, Retirement Plan Fundamentals 2, Plan Financial Consulting, Plan Financial Consulting 2 and PFC Live Course Instruction.

All credentialed members must acquire 40 hours of Continuing Professional Education (CPE) credits (2 of these must be Ethics) in a two-year-cycle as well as renew your ASPPA Membership annually to retain credentials. For more information please click [here](#).

RFC<sup>®</sup>: (Registered Financial Consultant)

Professionals with this designation are required to complete a self-study process. The preparation curriculum consists of ten volumes mirroring that of the CFP preparation, and covers the following six topics: Financial Planning Process; Insurance Planning; Retirement Planning; Investment Planning; Income Tax Planning; and Estate Planning. At the completion of the self-study process, candidates are required to take an exam.

Candidates must also meet the following education, experience and ethical requirements:

- Candidate either has attained a professional designation (i.e. CLU, ChFC, and CFP), or has earned a baccalaureate or graduate degree in financial planning with strong emphasis on subjects relating to economics, accounting, business, statistics, finance and similar studies; this granting institution must offer an IARFC-approved or CFP equivalent college curriculum and be an accredited college or university;

- Met four years of experience, providing evidence of having met license requirements for securities plus life and health insurance, or submits RIA affiliation information;
- Candidate must have a sound record of business integrity with no suspensions or revocation of any professional licenses;
- Designees must subscribe to the IARFC Code of Ethics; and
- Designees must submit an annual renewal fee.

Designees must agree to devote a minimum of 40 hours per year to continuing professional education in the field of personal finance and professional practice management.

#### RMASM™: (Retirement Management Analyst)

This designation is issued by the Retirement Income Industry Association (RIIA™). In general, RMASM candidates already have demonstrated knowledge and experience in the practical application of basic retirement planning and investment principles. Typically, this would be at least three (3) or more years of experience as a financial advisor working with Clients broadly on retirement and non-retirement portfolios, or comparable experience in the financial services industry directly involved in the retirement and investments business. Holding various FINRA registrations, e.g. series 7, 24, 63, 65, or 66, as well as other designations, e.g. CFA, CFP, etc. are all considered as evidence of prerequisite knowledge.

In addition, candidates must have a Full Individual Membership with RIIA™, pass an RIIA™ Approved Education Program, sit for and pass the RMASM Examination and certify that the information in the application is accurate and that they have not been fined or sanctioned from practicing in the financial services field by any state or federal government or regulatory authority, or by any industry self-regulatory body or by any employer.

Continuing education is required to maintain the designation. The core continuing education requirement is to stay current on the expanding body of knowledge (BOK) as updated through the Retirement Management Journal. Additionally, continuing education credits may be received by attending designated sessions at the RIIA™ Annual Meeting and Awards Dinner (AMAD) and participating in designated RIIA™ webinars. RMASM certificate holders will be required to certify annually that they have met the continuing education requirements and continue to be in compliance with the RIIA™ code of ethics.

#### RPA® : (Retirement Plans Associate)

The Retirement Plans Associate (RPA®) designation is earned by individuals in the group benefits arena who complete the extensive four-course curriculum and successfully pass the examination.

The RPA® designation helps professionals:

- Develop strategic skill sets by attaining broad but deep expertise in Defined Contribution plans, Defined Benefit plans, and investments.
- Provide greater value to your organization by broadening your exposure to a wide range of issues impacting all aspects of retirement plans.
- Attain increased knowledge, a sense of achievement, a competitive edge, and industry recognition.

Additionally, all RPA® courses receive credits towards the Certified Employee Benefits Specialist CEBS designation.

1. Designees must complete the three required courses plus one elective course.  
Course 3: Retirement Plans: Basic Features & Defined Contribution Approaches
2. Course 4: Retirement Plans: Defined Benefit Approaches & Plan Administration
3. Course 7: Asset Management

Electives (Any one of the following courses)

- Course 8: Human Resources and Compensation Management
- PFP 1: Personal Financial Planning 1: Concepts and Principles

Each course is designed for independent study so students can study at his/her own pace. Most candidates average 50-75 hours of study time per course.

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### ITEM 3 - DISCIPLINARY INFORMATION

[NAME] has no legal or disciplinary events that are material to you or a prospective client's evaluation of this advisory business.

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### ITEM 4 – OTHER BUSINESS ACTIVITIES

The principal business of [NAME] is that of an investment advisor representative and provider of financial planning services.

OR

The principal business of [NAME] is that of an investment advisor representative and provider of financial planning services. [NAME] is also a registered representative of a FINRA broker-dealer firm. Employees who are registered representatives may be paid for these services. In cases where we receive payment, there may be a conflict of interest. At all times, you are free to choose outside broker-dealers to avoid the possibility of there being a conflict of interest.

OR

The principal business of [NAME] is that of an investment advisor representative and provider of financial planning services. [NAME] is also an insurance agent. Employees who are insurance agents may be paid for these services. In cases where we receive payment, there may be a conflict of interest. At all times, you are free to choose outside agents to avoid the possibility of there being a conflict of interest.

OR

The principal business of [NAME] is that of an investment advisor representative and provider of financial planning services. [NAME] is also an insurance agent and a registered representative of a FINRA broker-dealer firm. Employees who are insurance agents and registered representatives may be paid for these services, which may include 12b-1 fees. In cases where we receive payment, there may be a conflict of interest. At all times, you are free to choose outside agents and/or broker-dealer firms to avoid the possibility of there being a conflict of interest.

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### ITEM 5 - ADDITIONAL COMPENSATION

Other than work with [FIRM] and any disclosures made in Items 2 and 4 above, [NAME] receives no additional compensation related to outside business activities.

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### ITEM 6 - SUPERVISION

[NAME] is the sole managing member of [FIRM] and is the supervising authority. [NAME] remains aware of and keeps us in compliance with the current rules and regulations put forth by each ruling regulatory authority where we conduct our business. [FIRM] maintains a written compliance manual that is reviewed with employees when they are hired as well as annually. [FIRM] has established internal policies for the guidance of its trading personnel. Transactions, which vary from the guidelines, are subject to periodic supervisory review. These guidelines are reviewed yearly and periodically adjusted.

[NAME] is located at [ADDRESS] and can be reached by calling ([AREA CODE]) [PHONE].

Or

[NAME] is a supervising member of [FIRM] along with [NAME], [NAME], [NAME], and [NAME]. As such [NAME] is not supervised in the traditional sense, but works closely with the other partner(s) in the firm. All supervising members remain aware of and keep us in compliance with the current rules and regulations put forth by each ruling regulatory authority where we conduct our business. [FIRM] maintains a written compliance manual that is reviewed with employees when they are hired as well as annually. [FIRM] has established internal policies for the guidance of its trading personnel. Transactions, which vary from the guidelines, are subject to periodic supervisory review. These guidelines are reviewed yearly and periodically adjusted.

All of our supervising persons are located at [ADDRESS] and can be reached by calling ([AREA CODE]) [PHONE].

OR

[NAME] is not a supervising authority at [FIRM] but does work closely with and is monitored by the supervising member of the firm. The supervising member is [NAME]; who remains aware of and keeps us in compliance with the current rules and regulations put forth by each ruling regulatory authority where we conduct our business. [FIRM] maintains a written compliance manual that is reviewed with employees when they are hired as well as annually. [FIRM] has established internal policies for the guidance of its trading personnel. Transactions, which vary from the guidelines, are subject to periodic supervisory review. These guidelines are reviewed yearly and periodically adjusted.

[SUPERVISOR'S NAME] is located at [ADDRESS] and can be reached by calling ([AREA CODE]) [PHONE].

OR

[NAME] is not a supervising authority at [FIRM] but does work closely with and is monitored by the supervising members of the firm. The supervising members of [FIRM] are [NAME], [NAME], [NAME] and [NAME]. All supervising members remain aware of and keep us in compliance with the current rules and regulations put forth by each ruling regulatory authority where we conduct our business. [FIRM] maintains a written compliance manual that is reviewed with employees when they are hired as well as annually. [FIRM] has established internal policies for the guidance of its trading personnel. Transactions, which vary from the guidelines, are subject to periodic supervisory review. These guidelines are reviewed yearly and periodically adjusted.

All of our supervising persons are located at [ADDRESS] and can be reached by calling ([AREA CODE]) [PHONE].

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## ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Other than any disclosures made in Item 3 above, [NAME] has not been found liable in any additional material arbitration or liable in a civil, self-regulatory organization, or administrative proceeding involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices. [NAME] has never been the subject of a bankruptcy petition.