

# Financial Decisions, LLC

SEC File Number: 801 – 39858

ADV Part 2A, Brochure

Dated: August 28, 2017

Contact: Kenneth Gutwillig, Chief Compliance Officer

780 Third Avenue, 19<sup>th</sup> Floor

New York, NY 10017

Website: [www.findec.net](http://www.findec.net)

**This Brochure provides information about the qualifications and business practices of Financial Decisions, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 920-3470 or [ken@findec.net](mailto:ken@findec.net). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Financial Decisions, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to as Financial Decisions, LLC a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to this ADV Part 2A, Brochure since the March 28, 2017 annual update filing. Although not material, this Brochure has been amended at Item 4 to disclose the firm's status as a fiduciary in certain instances under the Department of Labor's Fiduciary Rule.

**Financial Decisions, LLC.'s Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client has about this Brochure.**

## **Item 3           Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	6
Item 6	Performance-Based Fees and Side-by-Side Management .....	9
Item 7	Types of Clients.....	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9	Disciplinary Information .....	10
Item 10	Other Financial Industry Activities and Affiliations .....	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12	Brokerage Practices .....	12
Item 13	Review of Accounts.....	14
Item 14	Client Referrals and Other Compensation .....	15
Item 15	Custody.....	15
Item 16	Investment Discretion.....	15
Item 17	Voting Client Securities.....	16
Item 18	Financial Information .....	16

#### **Item 4            Advisory Business**

- A. Financial Decisions, LLC (“Financial Decisions”) is a limited liability company formed on March 1, 2016 in the State of New York. However, Financial Decisions, LLC operated as a corporation known as Financial Decisions, Inc. up until February 29, 2016. Financial Decisions, Inc. and Financial Decisions, LLC have been registered as an Investment Adviser Firm in September 1991. Financial Decisions is principally owned by Financial Decisions, Inc., and FDI Holdings, LLC. Linda Schoenthaler is the principal owner of Financial Decisions, Inc. Florence Dupont and Kenneth Gutwillig are the principal owners of FDI Holdings, LLC.
- B. As discussed below, Financial Decisions offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, corporations, business entities, and charitable organizations, etc.) investment advisory and/or management services on a discretionary and/or non-discretionary basis and, to the extent specifically requested by a client, financial planning and related consulting services.

#### **INVESTMENT ADVISORY SERVICES**

The client can engage Financial Decisions to provide discretionary and/or non/discretionary investment advisory and implementation services on a fee basis. Before engaging Financial Decisions to provide those services, clients are required to enter into an Investment Advisory Agreement with Financial Decisions setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. Thereafter, Financial Decisions will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, Financial Decisions provides ongoing monitoring and review of account performance, asset allocation and client investment objectives, and may rebalance and/or may recommend that clients rebalance accounts as necessary based on such reviews.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, Financial Decisions may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Before engaging Financial Decisions to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Financial Decisions setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Financial Decisions commencing services. If requested by the client, Financial Decisions may recommend the services of other professionals for implementation purposes, including Financial Decisions’ representatives in their individual capacities as registered representatives of Honor, Townsend & Kent, Inc., an SEC and FINRA registered broker-dealer (“HTK”); and as licensed insurance agents (see disclosures at Items 5.E. and 10.C.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Financial Decisions.

## MISCELLANEOUS

**Limitations of Non-Investment Consulting/Implementation Services.** To the extent specifically requested by the client, Financial Decisions may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Financial Decisions, nor any of its representatives, serves as an attorney, accountant, and no portion of Financial Decisions' services should be construed as legal, or accounting, services. Accordingly, Financial Decisions does not prepare estate planning documents or tax returns. To the extent requested by a client, Financial Decisions may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of Financial Decisions in their separate registered/licensed capacities as discussed in Items 5.E. and 10.C. below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Financial Decisions. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Financial Decisions if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Financial Decisions' previous recommendations and/or services.

**Non-Discretionary Service Limitations.** Clients that determine to engage Financial Decisions on a non-discretionary investment advisory basis **must be willing to accept** that Financial Decisions cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Financial Decisions would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Financial Decisions will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Independent Managers.** Financial Decisions may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. Financial Decisions will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Financial Decisions generally considers the following factors when recommending Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Financial Decisions' ongoing investment advisory fee.

**Client Obligations.** In performing its services, Financial Decisions shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the client's responsibility to promptly notify Financial Decisions if there is ever

any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Financial Decisions' previous recommendations and/or services.

**Disclosure Statement.** A copy of Financial Decisions' written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client before, or contemporaneously with, the execution of the applicable form of client agreement.

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Financial Decisions recommends that a client roll over their retirement plan assets into an account to be managed by Financial Decisions, such a recommendation creates a conflict of interest if Financial Decisions will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by Financial Decisions. Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a participant or beneficiary of a Plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (ii) the beneficial owner of an IRA acting on behalf of the IRA; or (iii) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then Financial Decisions represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by Financial Decisions or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Use of Mutual Funds** While Financial Decisions may recommend allocating investment assets to mutual funds that are not available directly to the public, Financial Decisions may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging Financial Decisions as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Financial Decisions as an investment advisor, the client or prospective client would not receive the benefit of Financial Decisions' initial and ongoing investment advisory services.

- C. Financial Decisions shall provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Financial Decisions shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Financial Decisions' services.

- D. Financial Decisions does not offer a wrap fee program for its investment advisory services.
- E. As of December 31, 2016, Financial Decisions had \$251,780,036 in assets under management on a discretionary basis and \$ 1,619,008 in assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage Financial Decisions to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee basis.

### **INVESTMENT ADVISORY SERVICES**

In the event the client determines to implement investment recommendations through Financial Decisions on a negotiable fee basis, Financial Decisions shall charge an annual investment management fee based upon: (1) a percentage of the market value of the assets being managed by Financial Decisions; (2) a disclosed hourly rate; or (3) an agreed upon fixed fee. For those clients that engage Financial Decisions to provide investment supervisory services based upon a percentage of the market value of the assets under management, the investment management fee charged shall generally be one percent (1.00%) of the market value of the assets under management. However, Financial Decisions in its sole discretion may charge a lesser management fee based upon certain criteria (i.e., pre-existing investment management client, existing financial planning client, anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, negotiations with client, etc.).

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, Financial Decisions may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Financial Decisions' planning and consulting fees are negotiable, but generally range from \$17,500.00 to \$50,000.00 on a minimum fixed fee basis, and from \$125.00 to \$725.00 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Before engaging Financial Decisions to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Financial Decisions setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Financial Decisions commencing services.

- B. Clients may elect to have Financial Decisions' advisory fees deducted from their custodial account. Both Financial Decisions' Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Financial Decisions' investment advisory fee and to directly remit that management fee to Financial Decisions in compliance with regulatory procedures. In the limited event that Financial Decisions bills the client directly, payment is due upon receipt of Financial Decisions' invoice. Financial Decisions shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Financial Decisions shall generally recommend that Charles Schwab & Co, Inc. ("Schwab") or Fidelity Investments ("Fidelity"). Schwab and/or Fidelity serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and/or Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Financial Decisions' investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Client accounts may be subject to early mutual fund redemption fees if certain mutual funds are not held in a portfolio for the minimal required amount of time after purchase. When beneficial to client, individual debt or equity transactions may be effected through broker-dealers with whom Financial Decisions or the client have entered into arrangements for prime brokerage clearing services (in which event, the client shall incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the custodian, Schwab and/or Fidelity). In addition, the investment management fees charged by the designated Independent Manager(s), together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets are, exclusive of, and in addition to, Financial Decisions' ongoing investment advisory fee. Client accounts that are managed by Independent Managers have the option to pay an asset-based fee in lieu of transaction-based commissions to Schwab and/or Fidelity for security transactions.

**Asset-Based Fees versus Transaction-Based Fees:** Custodians such as Schwab and Fidelity are compensated for their services which include, but are not limited to execution, custody and reporting. Such broker-dealers/custodians can charge a fixed percentage fee for their services based upon the dollar amount of the assets placed in their custody and/or on their platform (for example: if the broker-dealer/custodian were to charge an annual 0.10% of the market value of the client assets in its custody, the fee would include the execution of all account transactions). This is referred to as an "Asset-Based Fee." In the alternative, rather than a fixed percentage fee based upon the market value of the assets in its custody, the broker-dealer/custodian could charge a separate fee for the execution of each transaction. This is referred to as a "Transaction-Based Fee." Under a Transaction Based fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account. Because Financial Decisions cannot predict the markets and the amount of trading that will occur in a client account, Financial Decisions may recommend or favor Asset-Based pricing because it will fix the amount of the fee paid from the account for trade execution, regardless of the number of transactions that are placed for the account. However, Financial Decisions, on an annual basis, will conduct a sampling to confirm its belief (given the inability to predict the markets and the corresponding amount of trading that will occur) that Asset-Based pricing continues to be beneficial for its affected clients. Before engaging the broker-dealer/custodian regardless of pricing (Asset-Based versus Transaction-Based), the client will be required to execute a separate agreement with the broker-dealer/custodian agreeing to such pricing/fees. The fees charged by the broker-dealer/custodian are separate and in addition to the advisory fee payable by the client to Financial Decisions. **Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding Asset-Based versus Transaction- Based pricing.**

- D. Financial Decisions' annual investment advisory fee shall be prorated and paid quarterly, in advance, (except for certain employer-sponsored retirement plans which may be paid in arrears. The Investment Advisory Agreement between Financial Decisions and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, Financial Decisions shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. **Securities Commission Transactions.** In the event that the client desires, the client can engage Financial Decisions' representatives, in their individual capacities, as registered representatives of HTK, to implement investment recommendations on a commission basis. Although licensed to sell a full range of investment products, the sale of investment products by Financial Decisions' representatives is currently limited to variable annuities and variable life insurance. Before effecting any transactions, the client will be required to enter into a new account agreement with HTK. In the event the client chooses to purchase investment products through HTK, HTK will charge brokerage commissions to effect securities transactions, a portion of which commissions HTK shall pay to Financial Decisions' representatives, as applicable. The brokerage commissions charged by HTK may be higher or lower than those charged by other broker-dealers. In addition, HTK, as well as Financial Decisions' Representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.
1. **Conflict of Interest:** The recommendation that a client purchase a commission product from HTK presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Financial Decisions' representatives. **Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
  2. **Please Note:** Clients may purchase investment products recommended by Financial Decisions through other, non-affiliated broker dealers or agents.
  3. Financial Decisions does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Financial Decisions recommends to its clients.
  4. When Financial Decisions' representatives sell an investment product on a commission basis, Financial Decisions does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Financial Decisions' representatives do not also receive commission compensation for such advisory services. **However**, a client may engage Financial Decisions to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Financial Decisions' representatives on a separate commission basis.



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

Neither Financial Decisions, nor any supervised person of Financial Decisions, accepts performance-based fees.

## **Item 7            Types of Clients**

Financial Decisions' clients generally include individuals, high net worth individuals, pension and profit sharing plans, corporations, business entities, and charitable organizations. Financial Decisions will generally require a minimum account size of \$1,000,000.00 for such investment supervisory services. Financial Decisions, in its sole discretion, may charge a lesser investment management fee or reduce or waive its minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). In addition, certain Independent Manager(s) may impose varying minimum account values upon Financial Decisions' clients.

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

- A. Financial Decisions may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Financial Decisions may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Margin Transactions (use of borrowed assets to purchase financial instruments)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Financial Decisions) will be profitable or equal any specific performance level(s).

- B. Financial Decisions' methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Financial Decisions must have access to current/new market information. Financial Decisions has no control over the dissemination rate of market information; therefore, unbeknownst to Financial Decisions, certain analyses may be compiled with outdated market information, severely limiting the value of Financial Decisions' analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Financial Decisions' primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Financial Decisions may also implement and/or recommend the use of margin transactions. Margin investment strategies have a high level of inherent risk. (See discussion below).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by Financial Decisions in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Financial Decisions may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin may correspondingly increase the management fee payable to Financial Decisions. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

- C. Currently, Financial Decisions primarily allocates client investment assets among individual municipal and corporate bonds, bond funds, various no-load equity mutual fund classes, individual equities, and Independent Manager(s), on both a limited discretionary and non-discretionary basis in accordance with the client's designated investment objective(s). With respect to its non-discretionary management services, Financial Decisions maintains ongoing responsibility to select or make recommendations, based upon the needs of the client, as to the specific securities or other investments the account may purchase or sell and Financial Decisions is responsible for arranging or effecting the purchase or sale.

## **Item 9           Disciplinary Information**

Financial Decisions has not been the subject of any disciplinary actions.

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

- A. **Registered Representatives of HTK.** As disclosed above in Item 5.E, certain of Financial Decisions' representatives are also registered representatives of HTK, a FINRA member broker-dealer.

- B. Neither Financial Decisions, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Registered Representatives of Broker Dealer.** As disclosed above in Item 5.E, Financial Decisions' representatives are registered representatives of HTK, a FINRA member broker-dealer. Clients can choose to engage Financial Decisions' representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agents.** Financial Decisions' representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4 B above, clients can engage certain of Financial Decisions' representatives to purchase insurance products on a commission basis.

**Conflicts of Interest:** The recommendation by Financial Decisions' representatives, that a client purchase a securities or insurance commission product presents **conflicts of interest**, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any such commission products from Financial Decisions' representatives. Clients are reminded that they may purchase securities or insurance products recommended by Financial Decisions through other, non-affiliated broker-dealers or insurance agents.

**Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- D. Financial Decisions does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Financial Decisions maintains an investment policy relative to personal securities transactions. This investment policy is part of Financial Decisions' overall Code of Ethics, which serves to establish a standard of business conduct for all of Financial Decisions' representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Financial Decisions also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Financial Decisions or any person associated with Financial Decisions.

- B. Neither Financial Decisions nor any related person of Financial Decisions recommends, buys, or sells for client accounts, securities in which Financial Decisions or any related person of Financial Decisions has a material financial interest.

- C. Financial Decisions and/or representatives of Financial Decisions may buy or sell securities that are also recommended to clients. This practice may create a situation where Financial Decisions and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Financial Decisions did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed before those of Financial Decisions’ clients) and other potentially abusive practices.

Financial Decisions has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Financial Decisions’ “Access Persons.” Financial Decisions’ securities transaction policy requires that an Access Person of Financial Decisions must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Financial Decisions selects; provided, however that at any time that Financial Decisions has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Financial Decisions and/or representatives of Financial Decisions may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Financial Decisions and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Financial Decisions has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Financial Decisions’ Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that Financial Decisions recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Financial Decisions to use a specific broker-dealer/custodian), Financial Decisions generally recommends that investment management accounts be maintained at Schwab and/or Fidelity. Before engaging Financial Decisions to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Financial Decisions setting forth the terms and conditions under which Financial Decisions shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Financial Decisions considers in recommending Schwab and/or Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with Financial Decisions, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Financial Decisions’ clients shall comply with Financial Decisions’ duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to

effect the same transaction where Financial Decisions determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Financial Decisions will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Financial Decisions' investment management fee. Financial Decisions' best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Financial Decisions may receive from Schwab and/or Fidelity (or another broker-dealer/custodian, investment platform, vendor, independent investment manager, and/or product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Financial Decisions to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Financial Decisions may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Financial Decisions in furtherance of its investment advisory business operations. Certain of the support services and/or products that may be received may assist Financial Decisions in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Financial Decisions to manage and further develop its business enterprise.

Financial Decisions' clients do not pay more for investment transactions effected and/or assets maintained at Schwab, Fidelity, or any other entity as a result of this arrangement. There is no corresponding commitment made by Financial Decisions to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. **Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

2. Financial Decisions does not receive referrals from broker-dealers.

3. Directed Brokerage.

Financial Decisions does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Financial Decisions will not seek better execution services or prices from other broker-dealers or be able

to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by Financial Decisions. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Financial Decisions to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Financial Decisions. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Financial Decisions’ Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Financial Decisions provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Financial Decisions decides to purchase or sell the same securities for several clients at approximately the same time. Financial Decisions may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Financial Decisions’ clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Financial Decisions shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

- A. For those clients to whom Financial Decisions provides investment supervisory services, account reviews are conducted on an ongoing basis by Financial Decisions’ representatives. All investment supervisory clients are advised that it remains their responsibility to advise Financial Decisions of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Financial Decisions on an annual basis.
- B. Financial Decisions may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Financial Decisions may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, Financial Decisions may receive direct or indirect economic benefits from Schwab and/or Fidelity including support services and/or products without cost or at a discount.

Financial Decisions' clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as a result of this arrangement. There is no corresponding commitment made by Financial Decisions to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither Financial Decisions nor its representatives compensate non-supervised persons for client referrals.

## **Item 15            Custody**

Financial Decisions shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Financial Decisions may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Financial Decisions provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Financial Decisions with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Financial Decisions' advisory fee calculation.

## **Item 16            Investment Discretion**

The client can determine to engage Financial Decisions to provide investment advisory services on a discretionary basis. Before Financial Decisions assuming discretionary authority over a client's account, the client shall be required to execute Investment Advisory Agreement, naming Financial Decisions as the client's attorney and agent in fact, granting Financial Decisions full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Financial Decisions on a discretionary basis may, at any time, impose restrictions, **in writing**, on Financial Decisions' discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability

to purchase securities with an inverse relationship to the market, limit or proscribe Financial Decisions' use of margin, etc.).

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

- A. Financial Decisions does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Financial Decisions to discuss any questions they may have with a particular solicitation.

#### **Item 18          Financial Information**

- A. Financial Decisions does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Financial Decisions is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Financial Decisions has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Financial Decisions' Chief Compliance Officer, Kenneth Gutwillig, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**