



**GEIER** ASSET  
Geier Asset Management, Inc.

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## ADV Part 2

### Disclosure Brochure

February 1, 2017

Please note the following material updates from our last Disclosure Brochure update of March 2, 2016:

Review of client accounts (page 9) has been changed from at least quarterly to at least annually.

This brochure provides information about the qualifications and business practices of Geier Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at (410) 997-8000. 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 Geier Asset Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Although we use the term "registered investment advisor" throughout this document, registration does not imply a certain level of skill or training.

# Geier Asset Management, Inc.

## ADV Part 2 Disclosure Brochure

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## Important Questions You Should Ask About Geier Asset Management

In order to provide you with some background information regarding Geier Asset Management, Inc., here are the answers to some questions you might have. This statement is in lieu of Form ADV Part II, required by the Securities and Exchange Commission to be given to all potential clients by investment advisors and the CFP®<sup>®</sup> Certificant Disclosure Form required by the CERTIFIED FINANCIAL PLANNER<sup>®</sup>(TM) Board's Code of Ethics and Financial Responsibility.

### Advisory Business

#### **What is Geier Asset Management, Inc. (GAM)?**

Geier Asset Management, Inc. is an Investment Management and Financial Planning firm established in 1999 and registered with the Securities and Exchange Commission as a Registered Investment Advisor. Our Securities and Exchange Commission file number is 801-56955. Our principal owners are Joseph N. Geier, President, Thomas M. Geier, Vice President, and Brian J. Woods, Vice President.

GAM provides high quality, professional expertise in wealth accumulation for individuals and families leading active and complex lives. Additional clients may include businesses, corporations, 401(k), pension, and profit sharing plans, estates, and trusts.

#### **What is a Registered Investment Advisor?**

A Registered Investment Advisor is a fiduciary who has a duty of undivided loyalty to his Investment Advisory clients and must deal fairly and honestly with them. A Registered Investment Advisor is a representative of the client and must put the client's interests above any other relationships. Any person or entity that holds itself out as an Investment Manager must be registered either with the Securities and Exchange Commission or its state of residency as an Investment Advisor.

#### **What services do you provide to clients?**

GAM provides Investment Management Services, Financial Planning Services, and Tax Services to clients.

#### **What are your Investment Management Services?**

As a Registered Investment Advisor, GAM can provide investment advice regarding all aspects of your financial situation and/or manage the activity of an investment account or accounts established for your behalf through our Investment Management Program. Our investment advice is tailored to the goals of each client. We offer our standard models for consideration as well as custom models that can be constructed to best meet client needs. Clients are able to impose restrictions in writing for any securities or strategies they do not wish to pursue.

#### **Is there a minimum asset requirement for your Investment Management Program?**

We do not have a minimum requirement for assets to utilize our Management Services and our client investment accounts range anywhere from under \$100,000 to over \$5,000,000.

#### **Describe your Financial Planning Services?**

GAM offers a full range of financial planning services on an hourly or fixed-fee basis depending upon the specific services requested. Some examples of our financial planning services include review of 401k accounts, consultation regarding cash flow and control, budgeting, investment planning, college funding, retirement planning, estate planning, inheritances, risk management, insurance, employment benefits, tax planning, corporate or business coordination with personal situation, financial decisions, and charitable donations.

#### **What is a Custom Financial Plan?**

Our custom financial plan consists of a written

evaluation and analysis of the information provided by you regarding your financial goals, objectives, time horizon, risk tolerance, and current financial situation. We will provide you with specific recommendations, endeavor to educate you about the implications of selecting a particular alternative, implement the recommendations selected by you, and periodically update the plan adopted.

### **What are your Tax Services?**

GAM's tax professionals may provide personal income tax planning and federal, state, and local income tax return preparation for clients. Other tax services may include estate tax analysis, Roth vs. traditional IRA decisions, Minimum Required Distribution calculations, and tax aspects of major asset sales, including businesses.

Clients should be aware of the potential conflicts of interest that may arise in the pursuit of investment goals and tax minimization strategies, and fiduciary and privileged responsibilities concerning clients and regulatory bodies.

### **Do I need to sign a contract with Geier Asset Management?**

Yes, we require that a written agreement be executed outlining the responsibilities of each party and the rights thereof, as a prerequisite of doing business. However, our written agreement may be terminated at any time by delivery of written notice. In addition, within the first five days of signing the agreement, you may terminate without penalty.

### **How do you keep in touch with your clients?**

It is our policy to make ourselves available whenever the client needs us, through email, phone, or face to face meetings. We have found that our clients' preferred means of communication with us is via email. We also offer a secure document vault on our file server where important information can be exchanged.

In addition, our web site is available as a source of information at **[www.geierfinancial.com](http://www.geierfinancial.com)**.

In all cases, it is customary for us to meet face to face with each client, typically quarterly, but no less than annually, to review the client's investments as well as the changing needs and objectives of client. For your

part, it is important that you notify us on an ongoing basis of any major and material changes in your financial situation.

### **What is the amount of assets you currently manage?**

We currently manage \$197.7 million in discretionary assets and \$10.1 million in non-discretionary assets for a total of \$207.8 million in managed assets as of December 31, 2016.

## **Fees and Compensation**

### **What is your current fee for your Investment Management Program?**

Our current fee for our Investment Management Program, subject to change, is 1.5% of assets under management up to \$500,000 and 1% for assets under management over \$500,000.

### **How are the asset-based fees for the Investment Management Program calculated?**

Asset-based fees are billed quarterly in advance. Fees are calculated by multiplying one-fourth of the indicated annual fee by the total dollar amount of assets under advice at the market close on the last business day of the immediately completed calendar quarter.

The management fee for the first billing will include a prorated amount for a partial billing calculated from the contract date to the end of the first full quarter for which assets are received for accounts that are placed under management after the beginning of the quarter.

A client will be entitled to a pro rata refund of any prepaid quarterly fee based upon the number of days remaining in the quarter after termination.

The full value of accounts, which includes any cash positions, are considered assets under advice for the fee calculation. Any client directed investments are excluded from the calculation. Client directed investments must be specified in writing.

### **How are these asset-based fees paid to you?**

On a quarterly basis, we will send you an invoice which outlines the calculations for the fees due. A

copy of this invoice will be transmitted to Fidelity Institutional Wealth Services (FIWS), our custodian for asset management accounts, who will automatically deduct the invoice amount out of your account.

**What are your current Financial Planning fees?**

Our financial planning fees depend upon the specific services requested. We offer custom financial plans for a set fee and also perform financial planning and consulting work on an hourly basis. The charge for hourly financial consulting work may range from \$50 to \$200 per hour, depending on the personnel.

The normal charge for a custom financial plan is approximately \$1,500, usually paid 50% at the second consultation and 50% upon final presentation.

You will be billed directly and are responsible for any outside professional work performed in conjunction with our financial planning services such as estate, tax, or trust attorney's fees.

**What are your Tax Preparation fees?**

Fees for tax preparation are normally charged on an hourly basis and vary according to the complexity of the return and services requested. Hourly fees incurred may range from \$50 to \$250, depending on the personnel.

**Are there any other fees that may impact my portfolio?**

Because we provide advice in regard to investment company securities (i.e. "mutual funds"), you should be aware that, in addition to the fees paid by you in connection with our advisory programs, each investment company also incurs its own internal operating expenses as outlined in the prospectus of the various mutual funds. Although Geier Asset Management normally has no financial interest in these operating expense payments, clients should be aware of them in determining the overall cost of their investment program.

The mutual funds we recommend are obtained for clients at "net asset value" and are not subject to additional sales charges.

Mutual fund investments may be subject to additional restrictions such as minimum investment amounts, fund closings, and short term trading and redemption

fees.

In addition, your account may incur costs due to brokerage transactions. You also have the option to purchase investment products recommended by us through other brokers or agents not affiliated with us. See the section under "Brokerage" for more information.

**Do you ever vary from your fee schedules or payment method?**

We may vary from our fee schedules at our sole discretion. The primary determinants of any variance from our current fee schedules would be the nature of the services being provided.

In some circumstances, GAM may allow clients to make payments to us directly instead of through deductions from accounts. For example, large company qualified plans may desire to remit fees to us via company check. Any direct payments must be received by us within thirty days of the invoice date or the fees may be deducted from the asset accounts.

**Are any of the fees I pay to you for your services tax deductible?**

Yes, Section 212 of the Internal Revenue Code permits an itemized deduction for tax and/or investment advice. (Note: Subject to certain restrictions. For example, fees debited out of a regular brokerage account are tax deductible, whereas fees debited out of an IRA account are not. Please consult your tax advisor for more information.)

## Types of Clients

**Who can benefit most from your services?**

Anyone who does not have the time, inclination, or expertise to properly manage their own portfolio can benefit from our asset management. We also specialize in helping people deal with the financial aspects of life-altering occurrences such as retirement, job change, death of a spouse, inheritance, sale of a business, and exercise of stock options through our full range of financial planning services.

## Methods of Analysis, Investment Strategies, Risk of Loss

### **What types of investment strategies do you generally recommend?**

We have developed a broad array of strategies intended to benefit our clients based upon their individual investment goals. We offer our own proprietary strategies as well as custom portfolios consisting of individual securities and/or mutual funds.

In addition, we have selected an array of separate account managers (third party advisor) who have demonstrated an expertise in obtaining investment success in very specific asset classes. In certain cases, the separate account manager's investment philosophy and strategy will add value with respect to achieving the client's investment objectives.

Such programs typically provide reporting directly from the third party advisor. Separate account manager programs are varied with respect to the fees charged, account restrictions and minimums and in the management style and strategy employed. The client is informed of these specifics prior to entering into such a program.

### **How are your investment strategies developed and monitored?**

Our Investment Committee meets quarterly, at a minimum, to review the current investment environment and determine if any changes need to be made to our strategies.

### **What method of analysis is used to determine investments?**

We use a fundamental, top-down approach, considering economic conditions, earnings, industry outlook, politics (as it relates to the investment), historical data, price-earnings ratios, dividends, general level of interest rates, company management, and tax benefits. We also use technical analysis, chart analysis, cycle analysis and regression analysis to determine such factors as price and volume action, momentum, direction, and relative strength.

The material risks to our methods of analysis are that

the information we rely on to form our judgments may be incomplete, inaccurate, or misinterpreted. Historical correlations evidenced in charts may no longer hold true. Cycle projections may become distorted or unreliable due to unforeseen events or interventions.

### **What are the principal sources of information you use to make investment decisions?**

Geier Asset Management utilizes paid and unpaid research materials and releases provided to us by our clearing firm, investment companies, and other investment experts, economists, and advisors. We also utilize the general media of domestic, international and governmental newspapers, bulletins, magazines, books, and other publications, as well as information sources available through the internet.

### **What types of securities do you provide advice about?**

Bank deposits, U.S. Government securities, corporate bonds, commercial paper, municipal securities, equities, mutual funds, variable annuities, variable life, limited partnerships, real estate investment trusts, options, and private placements.

### **What is the Investment Questionnaire?**

The Investment Questionnaire is a tool that enables us to discern your investment risk tolerance, time horizon, and investment goals. The Questionnaire, in conjunction with your Investment Policy Statement, helps us to determine the investment strategies that will best meet your objectives.

### **What is the Investment Policy Statement?**

The Investment Policy Statement (IPS) is a working document that outlines the investment management process agreed upon by you and GAM. The IPS establishes the criteria for matching your long term investment goals to an appropriate investment plan and investment recommendations.

### **Do you guarantee investment performance?**

No. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is no indicator of future performance.

**GAM MAKES NO REPRESENTATION THAT YOUR GOALS WILL BE ACHIEVED. ANY PROJECTIONS, TARGETS, OR OTHER**



**INFORMATION INCLUDED IN THE INVESTMENT POLICY STATEMENT OR OTHER REPORTS REGARDING THE LIKELIHOOD OF VARIOUS INVESTMENT OUTCOMES ARE HYPOTHETICAL IN NATURE, DO NOT REFLECT ACTUAL INVESTMENT RESULTS, AND ARE NOT GUARANTEES OF FUTURE RESULTS.**

Other potential risks for clients are:

**Stock Market Risk** - fluctuations of the overall stock market due to economic, political or other factors may affect the equity related holdings of the client. Asset classes and sectors may rise and fall at varying degrees.

**Commodity Risk** - sectors such as oil & gas, real estate, and precious metals tend toward higher volatility than broader market segments.

**Fixed Income Risk** - bond and other related fixed income investments are subject to the rise and fall of interest rates and changing assessments of issuer credit worthiness and ability to pay.

**Currency Risk** - international investments are subject to fluctuations in currencies in relation to the US dollar.

**Investment Selection Risk** - the ability of GAM to identify and select investment opportunities may result in better or worse performance than the securities markets in general.

**Cash Investments Risk** - the need to hold a given amount of a client's portfolio in cash or other money market instruments to meet withdrawals or respond to anticipated unfavorable market conditions could result in a lower return than if the cash had been fully invested.

## Disciplinary Information

**Are there any legal or disciplinary events that are material to a client's or prospective client's evaluation of GAM's advisory business or the integrity of GAM's management?**

None.

## Other Activities and Affiliations

### **Do you offer other financial products and services?**

Yes, certain other financial products such as insurance and annuities can be obtained through us. One or more of GAM's affiliated persons are licensed to sell annuities, life and health insurance through Ash Brokerage, an insurance provider. If a client purchases these products, GAM or the affiliated person will receive the normal commission. Thus a conflict may exist between our interest and those of the client in these types of transactions.

GAM also may offer educational workshops or seminars. The fee, if any, is usually nominal (less than \$50) and defers the cost of workbooks and materials.

### **Do you provide legal services?**

No. Geier Asset Management is a financial counselor and investment advisor and limits itself to Asset Management, Financial Planning, and Tax services. However, we can recommend highly qualified legal providers to you, if you so desire.

### **Does Geier Asset Management provide accounting services?**

No. Geier Asset Management provides Asset Management, Financial Planning, and Tax services only.

### **Does Geier Asset Management have other affiliations?**

Yes, one or more of GAM's affiliated persons hold interests in Geier Financial Management, Inc.

## Code of Ethics

### **Does Geier Asset Management have a Code of Ethics?**

Yes. Geier Asset Management, Inc. has adopted a Code of Ethics to ensure that securities transactions by GAM employees are consistent with GAM's fiduciary duty to its clients and to ensure compliance with legal requirements and GAM's standards of business conduct. The Code requires transaction confirmation and quarterly reporting of such transactions. A

written copy of GAM's Code of Ethics is available upon request.

**Does Geier Asset Management subject itself to outside oversight?**

Yes, an outside CPA firm conducts an annual cash exam of the custodial records of Geier Asset Management. In addition, the principals and associates have obtained various licenses and are subject to the Code of Ethics of the American Institute of CPA's, CERTIFIED FINANCIAL PLANNER® Board of Standards, as well as various state and federal regulators.

**Will client information be kept confidential?**

Yes, it is the law.

**Do Geier Asset Management personnel invest in financial products recommended to their clients?**

At times, GAM and the principals and affiliated persons of Geier Asset Management may invest in products recommended to the client. With respect to our personal investment accounts, we make every attempt to trade in such a way as to give every advantage to our clients before our own interests. In most cases, there is no conflict of interest as the securities are widely held and publicly traded. Investments in private placements are disclosed beforehand.

Furthermore, we maintain personal transaction records, strictly enforce all rules and regulations of the Investment Advisers Act of 1940, and do not permit insider trading.

## Brokerage Practices

**Where will my accounts be held?**

Most of our asset management accounts are held at Fidelity Institutional Wealth Services (FIWS).

**Who is Fidelity Institutional Wealth Services?**

Fidelity Institutional Wealth Services (FIWS) provides advanced brokerage, technology, and other services to fee-based investment advisors like GAM. FIWS provides GAM clearing and custody for our fee-based asset management accounts.

**Are there other fees or transaction costs associated with my accounts?**

FIWS may charge you an annual fee and closing fee for IRA accounts. In addition, general securities transactions are subject to minimum transaction charges by FIWS which are paid by the client.

**If I use Geier Asset Management to provide financial or investment advice, am I obligated to use Geier Asset Management to implement the advice or obtain any recommended products through you?**

No. Clients are under no obligation to accept recommendations made by us or effect transactions through Geier Asset Management or our related persons or parties. Clients may be able to purchase recommended securities outside of our program at little or no transaction cost and without our advisory fee. In reality, however, if a client agrees with our recommendations, they will generally implement their investment and other financial objectives through GAM.

**Do you utilize other brokerage firms besides FIWS for portfolio transactions?**

Yes, we may utilize other brokers or agents to obtain specialized or beneficial investment products that may or may not be offered through FIWS's platform. We select these brokers or agents based on their expertise, experience, professionalism, favorable execution, and costs. Clients may incur additional expenses for these products, clearing, and/or custody.

**Do you utilize soft dollar arrangements?**

GAM does not enter into soft dollar arrangements with broker-dealers. GAM utilizes paid and unpaid research materials and releases provided to us by our clearing firm, investment companies, and other investment experts, economists, and advisors. We also utilize the general media of domestic, international and governmental newspapers, bulletins, magazines, books, and other publications, as well as information sources available through the internet. Research services include supplemental research, securities and economic analyses, statistical services and information with respect to the availability of securities or purchasers or sellers of securities and analyses of reports concerning performance of accounts. It is not possible to place a dollar value on the research and other information



received.

All trades are executed for the best interest of the client and any fees or commissions paid to broker-dealers are for execution only. Because of our custodial relationship with Fidelity Institutional Wealth Services, GAM will receive access to Wealth Central and other software programs provided by Fidelity.

**Do you aggregate orders for client accounts?**

Yes, when possible, we combine orders for multiple clients in bulk to obtain best and fair execution.

**How do you handle trading errors?**

We do our best to avoid any possible errors but sometimes, a mistake may happen. We reimburse clients for trading errors that adversely impact their account. Trading credits may be netted against debits.

## Review of Accounts

**What types of reports will I receive about my investments?**

The reports you receive depend on the arrangement and services agreed upon by Geier Asset Management and you. In all cases, you will receive regular account statements from those companies where investments are held. Clients in our Investment Management Program may receive periodic reports from us that are generated by our Portfolio Management software. You may receive a Confirmation Notice of every trade made in your account, on a per transaction or quarterly basis, depending on your instructions to us.

**How often do you review my accounts?**

The Client Manager assigned to your account will review your portfolio at least annually, usually upon generation of our periodic reports. More frequent or interim reviews can be requested by you at any time.

## Client Referrals

**How does Geier Asset Management obtain new clients?**

Most of our new clients come to us as a result of referrals of existing clients. In addition, Geier Asset Management has relationships with other professionals such as CPA's and attorneys. In all cases, there will be a written agreement between us and the referral source whenever Geier Asset Management compensates the referral source. In no cases are client's fees impacted by referral sources.

## Custody

**Do you have custody over any of your client accounts?**

Geier Financial Management, Inc., a related entity to GAM, may in some instances have custody of certain client accounts. Please carefully review all statements you receive from each outside custodian and compare them to any statements issued by GAM to you.

## Investment Discretion

**How much control will you have over my account?**

When you sign your Investment Advisory Agreement with us, you give us a limited power of attorney to assume discretionary authority over the trading within your account, subject to the restrictions you impose upon us in writing. In other words, we will be able to place orders for trades in your account without prior authorization from you for those orders. However, this discretionary authority is limited, as we are prohibited from withdrawing funds and/or securities from client accounts.

**I'm hesitant to give you discretionary authority over trading within my account. Why do you require it?**

When, in our judgment, a security should be purchased or sold within our models, the corresponding trades are placed across the entire model, for all accounts within that model. It is impractical for us to contact every client to receive permission to place such an order. In our experience, market opportunities pass quickly and constraints on timeliness of trades may have a negative impact on

the potential value of the account.

**What restrictions can I impose upon you in writing for my account?**

Some of our clients request that we hold stocks or bonds in their accounts that they do not wish to sell. Such securities are “unmanaged” and GAM will remove these securities from its performance calculations and from the value of your account upon which GAM’s fee is calculated. As such, GAM takes no responsibility for these restricted securities and you agree that GAM will not be liable for any loss incurred in any manner in connection with these restricted securities.

Initial restrictions and any modifications to or instructions regarding these restricted securities must be made in writing. If the restricted holdings are numerous or a large percentage of your account, we may require that a separate account be opened to keep these restricted holding segregated from the actively traded holdings.

## Voting of Client Securities

**How do you handle voting of proxies?**

We do not take any action or render any advice with respect to voting of proxies solicited by the issuers of securities in which assets of your accounts may be invested from time to time.

## Financial Information

**Is there any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients?**

None