



## **Form ADV Part 2A/2B Firm Brochure**

March 2017

### **RTD Financial Advisors, Inc.**

HEADQUARTERS  
30 S. 17<sup>th</sup> Street, Suite 1620  
Philadelphia, PA 19103  
Phone: 215-557-3800

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This Brochure provides information about the qualifications and business practices of RTD Financial Advisors, Inc., "RTD". If you have any questions about the contents of this Brochure, please contact us at 215-557-3800. 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.

RTD Financial Advisors, Inc. is registered as an Investment Adviser with the Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about RTD is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm's identification number 110744.

# Form ADV Part 2A

## Item 2: Material Changes

RTD acquired Pinnacle Financial Advisors, LLC effective March 1, 2016. Ownership structure has changed. See Item #4, Advisory Business - Description of Advisory Firm.

## Item 3: Table of Contents

<b><u>Contents</u></b>	<b><u>Page</u></b>
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 .....	7
Item 6: Performance-Based Fees & Side-By-Side Management .....	11
Item 7: Types of Clients .....	12
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss .....	12
Item 9: Disciplinary Information .....	13
Item 10: Other Financial Industry Activities and Affiliations .....	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
Item 12: Brokerage Practices .....	14
Item 13: Review of Accounts .....	15
Item 14: Client Referrals and Other Compensation .....	15
Item 15: Custody .....	15
Item 16: Investment Discretion .....	16
Item 17: Voting Client Securities .....	16
Item 18: Financial Information .....	17
Item 19: Additional Information .....	17
Form ADV Part 2B - Brochure Supplement .....	18-27

## Item 4: Advisory Business

### Description of Advisory Firm

**RTD Financial Advisors, Inc.**'s registration was granted by the United States Securities and Exchange Commission on June 13, 1983. Richard Joseph Busillo (CRD Number 725324) owns more than ten percent but less than twenty-five percent of the equity of the firm and is Chairman & CEO. Jeffrey Alan Weiand (CRD Number 1414639) owns more than ten percent but less than twenty-five percent of the equity of the firm and is President/Chief Compliance Officer. John Frank Hochschwender (CRD Number 1395619) owns more than ten percent but less than twenty-five percent of the equity of the firm and is Executive Vice President/CFO. Michael J. Smith (CRD Number 1504622) owns more than ten percent but less than twenty-five percent of the equity of the firm and is Senior Vice President. Marc Charles Labadie (CRD 5126545) owns more than ten percent but less than twenty-five percent of the equity of the firm and is Chief Investment Officer. Mitchell J. Metz (CRD Number 1417894) owns more than ten percent but less than twenty-five percent of the equity of the firm and is a Senior Vice President. Richard J. Durso (CRD Number 2772293) owns five percent of the equity of the firm and is Director of Financial Planning. Elizabeth Ann Davies owns less than five percent and is Vice President of Retirement Plan Services. Christopher Vassallo (CRD Number 6125551) owns less than five percent and is Director of Business Development. Maureen Blom is the firm's Chief Operating Officer.

The firm is not publicly owned or traded. There are no indirect owners of the firm. The firm manages each Client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not sponsor any wrap programs.

As of December 31, 2016, RTD managed assets on a discretionary basis in the amount of \$1,218,530,563 and on a nondiscretionary basis, \$31,648,914 for a total of \$1,250,179,477.

### Types of Advisory Services

#### I. Financial Life Planning

##### Services Provided:

##### (i) Discovery and Planning Process

- Discover and help to prioritize Client's short- and long-term goals and aspirations.
- Identify life transitions that Client is and expects to be experiencing.
- Gather and organize Client's data and documents.
- Analyze Client's financial condition, challenges and opportunities as they relate to the goals of the Client.
- Develop an investment strategy that attempts to balance Client's goals and tolerance for volatility.
- Help Client with the financial implications of life transitions.
- Provide written recommendations and alternatives to help Client achieve stated goals.
- Help to implement financial decisions.

## Financial Life Planning continued . . .

### **(ii) Ongoing Financial Advice and Service**

- Continue to help prioritize and implement Client's short- and long-term goals and aspirations.
- Review financial plan regularly.
- Meet regularly with Client to review goals and progress.
- Asset management services - optional.
- Monitor life transitions that Client is and expects to be experiencing.
- Update financial plan regularly as needed.
- Ongoing tax planning.
- Strategize/coordinate with other Advisors (accountants, attorneys, insurance agents, etc.).

### **(iii) Asset Management Services (Under Advisor's Management)**

- Develop a written, personal Investment Policy Statement (IPS).
- Portfolio construction, investment selection, and execution of trades.
- Periodic reporting.
- Re-balance portfolio on an opportunistic basis and when appropriate to meet Client needs.
- Monitor portfolio allocation and underlying investments.
- Re-allocate portfolio due to changes in the economy, the Client's objectives, or performance of the mutual fund manager selected.
- Tax loss harvesting (where applicable).

## **Client Tailored Services and Client Imposed Restrictions**

Specific Client financial plans and their implementation are dependent upon the Client's Investment Policy Statement which outlines each Client's current situation (liquidity needs/tax constraints, if applicable and risk tolerance levels). It is used to construct a Client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

## **II. 3(38) Investment Management for Company Retirement Plans – Incl. Participant Services**

### **1. Plan-Level Discretionary Investment Management Services under ERISA §3(38)**

- (i) Develop an investment policy statement (IPS) for Client. The IPS establishes the investment policies and objectives for the Plan and shall set forth the number of general investment options and asset class categories to be offered under the Plan. The investment responsibilities and authority of the Advisor as set forth in the IPS are incorporated herein by reference.
- (ii) Select a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder. Client acknowledges that the investment options selected by Advisor may include the RTD Managed Portfolios recognizing that Advisor is the fund manager of those portfolios. Client further acknowledges that if these RTD managed portfolios are made available as plan investment options, it will not result in additional compensation to Advisor.

- (iii) Provide ongoing and continuous discretionary investment management with respect to the asset classes and investment alternatives available under the Plan in accordance with the IPS. Under this authority, Advisor may remove and replace the investment alternatives available under the Plan in its discretion.
- (iv) Consult with Client as to whether Plan should have a qualified default investment alternative (“QDIA”) for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election and type of investment to serve as QDIA (e.g., target date fund, balanced fund or managed account). If Client decides to have QDIA under Plan and decides upon the type of investment that will serve as QDIA, then Advisor will select the investment to serve as the QDIA. The Client retains the sole responsibility to provide all notices to participants required under ERISA Section 404(c)(5).

## **2. Participant-Level Non-Discretionary Investment Advisory Services**

Advisor will provide non-discretionary investment advice to Plan participants about Plan investment alternatives. Plan participants shall have the final decision-making authority regarding the initial selection, retention and changes in investment selections.

### **Non-Fiduciary Services**

The Advisor will perform the Non-Fiduciary services described below. Advisor may provide these services or, alternatively, may arrange for the Plan’s other providers to offer these services, as agreed upon between Advisor and Client.

#### **1. Plan-Level Non-Fiduciary Services**

- (i) Educate Client as to its fiduciary responsibilities.
- (ii) Assist the Client in monitoring, selecting and supervising service vendors by providing consulting services on these matters.
- (iii) Prepare fee analysis and benchmarking studies.

#### **2. Participant-Level Non-Fiduciary Services**

- (i) Assist in the group enrollment meetings designed to increase retirement plan participation among employees and to improve investment and financial understanding by the employees.
- (ii) Assist in the education of the participants in the Plan about general investment principles and the investment alternatives available under the Plan. Client understands that Advisor’s assistance in participant investment education shall be consistent with and within the scope of (d) of Department of Labor Interpretive Bulletin 96-1 (i.e., the definition of investment education).
- (iii) As such, the Advisor is not providing fiduciary advice (as defined in ERISA) to the participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.

### **III. 3(38) Investment Management For Company Retirement Plans**

#### **Fiduciary Services**

##### **Plan-Level Discretionary Investment Management Services under ERISA §3(38)**

- (i) Develop an investment policy statement (IPS) for Client. The IPS establishes the investment policies and objectives for the Plan and shall set forth the number of general investment options and asset class categories to be offered under the Plan. The investment responsibilities and authority of the Advisor as set forth in the IPS are incorporated herein by reference.
- (ii) Select a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- (iii) Provide ongoing and continuous discretionary investment management with respect to the asset classes and investment alternatives available under the Plan in accordance with the IPS. Under this authority, Advisor may remove and replace the investment alternatives available under the Plan in its discretion.
- (iv) Consult with Client as to whether Plan should have a qualified default investment alternative ("QDIA") for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election and type of investment to serve as QDIA (e.g., target date fund, balanced fund or managed account). If Client decides to have QDIA under Plan and decides upon type of investment that will serve as QDIA, then Advisor will select the investment to serve as the QDIA. The Client retains the sole responsibility to provide all notices to participants required under ERISA Section 404(c)(5).

### **IV. Pooled Retirement Plan Investment Management**

#### **Fiduciary Services**

Develop an investment policy statement (IPS) for Client. The IPS establishes the investment policies and objectives for the Plan. The investment responsibilities and authority of the Advisor as set forth in the IPS are incorporated herein by reference.

- Investment selection and execution of trades.
- Periodic Reporting.
- Re-balance the portfolio when appropriate.
- Re-allocate the portfolio due to changes in the economy, of the Plan's objectives, or performance of the mutual fund manager selected.
- Ongoing monitoring.

### **Non-Fiduciary Services**

The Advisor will perform the Non-Fiduciary services described below. Advisor may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

- Educate Client as to its fiduciary responsibilities.
- Assist the Client in monitoring, selecting and supervising service vendors by providing consulting services on these matters.
- Prepare fee analysis and benchmarking studies.
- Assist in the group enrollment meetings designed to increase retirement plan participation among employees and to improve investment and financial understanding by the employees where applicable.

### **V. Investment Management for Institutions**

After assessing Client's goals, objectives, time horizon and risk tolerance, Advisor will recommend a diversified portfolio and provide continuous and regular supervision of this portfolio.

Advisor's Investment Management services include the following:

- Develop a written Investment Policy Statement.
- Investment selection and execution of trades.
- Quarterly performance reporting.
- Re-balance the portfolio when appropriate.
- Re-allocate the portfolio due to changes in the economy, of the Client's objectives, or performance of the underlying securities managed.
- Portfolio tax management where appropriate.

## **Item 5: Fees and Compensation**

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Please note, unless a Client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the Client within five (5) business days of signing the contract without incurring any advisory fees. How Advisor is compensated depends on the type of advisory service performed. Please review the fee and compensation information below.

## Fees and Compensation

### I. Financial Life Planning Fees:

Client's fee is a flat quarterly fixed fee based on the following schedule:

<u>Managed Investable Assets*</u> Under \$1,000,000	<u>Quarterly</u> \$2,500	<u>Annual</u> \$10,000
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**PLUS**, for each additional amount of Managed Investable Assets\* (if applicable):

	<u>Total</u> <u>Managed Investable</u> <u>Assets*</u>	<u>Additional</u> <u>Managed Investable</u> <u>Assets*</u>	<u>Additional Fee</u>	
			<u>Per Quarter</u>	<u>Per Year</u>
<b>FROM</b>	\$1 million to \$3 million	\$200 thousand	\$375	\$1,500
<b>FROM</b>	\$3 million to \$10 million	\$250 thousand	\$250	\$1,000
<b>FROM</b>	\$10 million to \$20 million	\$500 thousand	\$250	\$1,000
<b>ABOVE</b>	\$20 million	<i>Negotiable</i>		

***\*We include in our calculation only investable assets which we consider to be managed.***

Financial Life Planning Fees could vary in circumstances where there is complexity, e.g., business planning, business and/or rental real estate, corporate or private equity, etc.

Fees are based on the Managed Investable Assets\* at the time of the engagement and may be adjusted at the end of three years and every three years thereafter based on Advisor's formula at those times.

Fees are due quarterly in advance and a pro-rata refund will be paid to Client if canceled within any quarter. This quarterly fixed fee is cancelable anytime without restriction.

- Minimum Financial Life Planning fee for Clients' immediate family members (children and parents) is reduced to \$5,000.
- For Johnstown, PA clients, the FLP fee is 1% on assets up to 1M with a minimum of \$5,000. Once assets reach 1M, normal FLP fees go in effect.

### I(a). Wealth Builder Fees:

In certain instances, select Financial Life Planning Clients with investable assets of less than \$750,000 may be offered a phased-in minimum fee, in lieu of the above, as follows:

<u>Year</u>	<u>Phased-In Fee</u>	
	<u>Per Quarter</u>	<u>Per Year</u>
<b>1</b>	\$1,250	\$5,000
<b>2</b>	\$1,625	\$6,500
<b>3</b>	\$2,000	\$8,000
<b>4</b>	<i>Applicable Financial Life Planning fee in effect at that time</i>	



### **Additional Information**

- In year 4, the fee will be based on our Financial Life Planning fee in effect at that time and may be adjusted every three years thereafter.
- Advisor may offer advisory services on a pro-bono basis.
- For planning paid for by corporations for the benefit of its employees, the following discounts will apply: *2-5 employees, 10%; 6-10 employees, 15%; over 10 employees, 20%*
- For existing Clients not on a Financial Life Planning Agreement, financial planning services maybe billed separately.

## **II. 3(38) Investment Management for Company Retirement Plans – Incl. Participant Services**

The RTD investment advisory fee is calculated as of the last business day of each calendar quarter by charging the following fee schedule:

<b>Plan Assets</b>	<b>Quarterly</b>	<b>Annual</b>
\$0 - \$2,500,000	0.15000%	0.600%
\$2,500,001 - \$5,000,000	0.12500%	0.500%
\$5,000,001 - \$10,000,000	0.10000%	0.400%
\$10,000,001 - \$15,000,000	0.07500%	0.300%
\$15,000,001 - \$25,000,000	0.06250%	0.250%
\$25,000,001 - \$40,000,000	0.05000%	0.200%
\$40,000,001 - \$65,000,000	0.03750%	0.150%
\$65,000,001 - \$100,000,000	0.03125%	0.125%
\$100,000,001 and Over	0.02500%	0.100%

### ***Subject to a minimum fee of \$2,500 per quarter***

- Fees may differ for non-profit organizations
- Clients who executed Self-Directed Retirement agreements prior to September 1, 2012, are grandfathered and will remain on the fee schedule in effect at that time until they convert to the above program.

### III. **3(38) Investment Management for Company Retirement Plans**

1. The RTD fee shall be a flat amount calculated as follows, subject to a minimum fee of \$3,750 per quarter/\$15,000 Annually:

Plan Assets	Quarterly Fee	Annual Fee
\$15,000,000 - \$25,000,000	\$3,750	\$15,000
\$25,000,001 - \$35,000,000	\$6,250	\$25,000
\$35,000,001 - \$45,000,000	\$7,500	\$30,000
\$45,000,001 - \$60,000,000	\$8,750	\$35,000
\$60,000,001 - \$80,000,000	\$10,000	\$40,000
\$80,000,001 - \$100,000,000	\$11,250	\$45,000
\$100,000,001 - \$125,000,000	\$12,500	\$50,000
\$125,000,001 - \$150,000,000	\$13,750	\$55,000
\$150,000,001 - \$200,000,000	\$15,000	\$60,000
\$200,000,001 - \$250,000,000	\$16,250	\$65,000
Over \$250,000,000	\$17,500 min.	Negotiable with \$70,000 min.

- Fees may differ for non-profit organizations

### IV. **Pooled Retirement Plan Investment Management Fees:**

The RTD investment advisory fee is calculated as of the last business day of each calendar quarter by charging the following fee schedule:

Plan Assets	Quarterly	Annual
First \$1,000,000	0.2500%	1.00%
Next \$1,000,000	0.1875%	0.75%
Next \$3,000,000	0.1250%	0.50%
Next \$5,000,000	0.1000%	0.40%
Over \$10,000,000	0.0625%	0.25%

***Subject to a minimum fee of \$1,250.00 per quarter***

- Fees may differ for non-profit organizations

## V. Investment Management Fees for Institutions

The RTD fee is calculated as of the last business day of each calendar quarter by charging the following fee schedule:

Plan Assets	Quarterly	Annual
First \$2,000,000	0.1875%	0.75%
Next \$3,000,000	0.1250%	0.50%
Next \$5,000,000	0.1000%	0.40%
Over \$10,000,000	0.0625%	0.25%

The advisory fees shown in (IV) and (V) are blended fees and are calculated by assessing the percentage rates using the predefined levels of assets as shown in the above charts, resulting in a combined weighted fee. For example, an ending quarter balance of \$3,000,000 would pay an effective quarterly fee of \$5,000 (0.1667%). If annualized, the effective annual fee would be \$20,000 (0.667%). The quarterly fee is determined by the following calculation:  $((\$2,000,000 \times 0.75\%) + (\$1,000,000 \times 0.50\%)) = \$20,000/4 = \$5,000$ .

***Subject to a minimum fee of \$1,250.00 per quarter***

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## Other Types of Fees and Expenses

Advisor's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee. Advisor does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors considered in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

Advisor does not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

## Item 6: Performance-Based Fees & Side-By-Side Management

Advisor does not charge or receive performance-based fees.

## Item 7: Types of Clients

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Advisor provides financial planning and asset management services to individuals, pension plans, profit sharing plans, charitable organizations, endowments, foundations, trusts and estates, corporations and other business entities.

## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

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The firm's strategy is based on asset allocation where assets are appropriately diversified to conform to each Client's specified time horizon and risk/return profile. The level of volatility the Client's portfolio is exposed to is communicated to the Client.

The performance of each investment option is periodically compared against an appropriate index and peer group. "Watch list" procedures for underperforming Investment Managers are documented, and consistently applied. Rebalancing procedures are reasonable, documented, and consistently applied. Periodic reviews are also made of qualitative and/or organizational changes of Investment Managers and other service providers.

Margin transactions and option writing may occur if appropriate and only if approved by Client.

### Material Risks Involved

**All investing strategies offered involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Advisor's investment strategies and/or investment techniques may not work as intended.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater their interest rates risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return on other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

## Item 9: Disciplinary Information

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of RTD or the integrity of our management. There have been no disciplinary events.

## Item 10: Other Financial Industry Activities and Affiliations

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RTD provides investment advisory services to certain clients under a co-advisory agreement with Key Financial, Inc., a registered investment advisor, with whom fees from those joint clients are shared. Services provided by RTD are on a fee-only basis.

RTD's subsidiary Pinnacle Financial Advisors, LLC (Pinnacle) offers tax preparation services to certain former Pinnacle clients who do not have, or do not want to use, another tax professional. Fees may be included in the Financial Life Planning Fee or billed separately based on the nature and complexity of the specific circumstances.

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

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RTD has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. Advisor will provide a copy of our Code of Ethics to any Client or prospective Client upon request.

It is further noted that RTD is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, RTD has adopted a firm-wide policy outlining insider-trading compliance by RTD and its employees. This policy has been distributed to all employees of RTD. There are provisions adopted for (1) restricting and/or monitoring trading on those securities of which RTD's employees may have non-public information, (2) requiring all of RTD's employees to report all applicable transactions properly to RTD, and (3) monitoring the securities trading of the firm and its employees and associated persons.

## **Item 12: Brokerage Practices**

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### **Custodians\Brokers Used**

Advisor does not maintain custody of Client assets that we manage or advise on. Client assets are maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Advisor currently recommends TD Ameritrade and Charles Schwab as the primary qualified custodian for our private Client accounts and TD Ameritrade Trust and Charles Schwab Trust Companies for our retirement plan Clients. Both firms are SEC-registered broker-dealers and FINRA/SIPC members. Advisor is independently owned and operated and is not affiliated with either custodian. Custodians hold Client assets in a brokerage account and buy and sell securities when [Advisor/Client] instruct them to. Clients' open up account(s) directly with the custodian. Advisor may assist the Client in this effort.

Advisor also utilizes the services of SP Financial Group of Raymond James for fixed income analysis, support and execution.

## Selecting Custodians\Brokers

The following factors were taken into consideration in the selection of these broker-dealers:

- Creditworthiness, financial strength and reputation of the broker-dealer
- Quality and promptness of overall execution services provided by the broker-dealer
- Client data security policy and procedures
- Promptness and accuracy of oral, hard copy or electronic reports
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Competitiveness of transaction fees charged by the custodian
- Availability of investment research and tools
- Ability and willingness to correct trade errors
- Promptness and accuracy of confirmation statements
- The broker-dealer's facilities, including any software or hardware, provided to the Advisor
- Reliability, reputation and corporate culture of the broker-dealer
- Prior service to us and our other Clients

## Item 13: Review of Accounts

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RTD's Investment Policy Committee establishes the investment policy and parameters for the firm. Advisor implements this policy for the relationships they service and reviews each managed portfolio at least quarterly. RTD's Investment Policy Committee monitors the performance of each investment monthly based on how similar investments have performed and recommends changes when necessary. RTD investment team monitors for rebalancing opportunities on a daily basis.

Quarterly reports are prepared for each Client, which currently consists of:

1. Overall Asset Allocation Percentages
2. Value vs. Net Investment
3. Time-Weighted Rates of Return for Quarter, 12 Months, 3/5 Years and Since Inception

## Item 14: Client Referrals and Other Compensation

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Advisor does not receive any economic benefit, directly or indirectly from any third party for advice rendered to our Clients. Nor does the Advisor directly or indirectly compensate any person for Client referrals who is not advisory personnel.

Advisor has a professional relationship with TD Ameritrade and Charles Schwab through which Advisor is offered and receives discounts for research and reporting related products and tools provided by Morningstar, Fiduciary Analytics/fi360, Thomson Reuter's InvestmentView, AdvisoryWorld, Riskalyze, MoneyGuidePro, eMoney Advisor and PortfolioCenter. Other benefits include; rebalancing technology (iRebal), consulting services; access to a dedicated trading desk; access to an electronic network for

Client order entry and account information; access to certain mutual funds/exchange-traded funds with no transaction fees; access to certain institutional funds; and other discounts on marketing, research, technology, and practice management products or other services provided by third-party vendors.

While there is no direct link between Advisor's relationship and the investment advice it gives to Clients, these products or services may assist Advisor in managing Client accounts including accounts not maintained at TD Ameritrade and/or Charles Schwab. They may also assist further development of Advisor's business enterprise. TD Ameritrade and Charles Schwab may on occasion pay expenses or provide discounts for Advisor's personnel to attend conferences.

None of these benefits depend on the level of assets or the number of brokerage transactions directed to TD Ameritrade or Charles Schwab. Advisor has not committed to maintaining any level of assets at either. As part of its fiduciary duties to Clients, Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's recommendation of TD Ameritrade or Charles Schwab for custody and brokerage services.

It is Advisor's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to the firm.

It is Advisor's policy not to accept or allow related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide.

## **Item 15: Custody**

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RTD does not accept custody of Client funds. Clients receive at least quarterly (normally monthly) statements from the custodian that holds and maintains Client's investment assets. Client is urged to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide. Advisor statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For Client account(s) in which RTD directly debits their advisory fee:

- i. Client will authorize, in writing, fees to be paid directly from their accounts held by the custodian.
- ii. The custodian will send at least quarterly statements (normally monthly) to the Client showing all disbursements from the account(s), including the amount of the advisory fee.

## **Item 16: Investment Discretion**

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Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.



Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign an agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

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

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Advisor does not vote Client proxies. Therefore, Clients maintain exclusive responsibility for (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure. Clients will receive proxy materials directly from the account custodian.

## **Item 18: Financial Information**

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Registered investment advisers are required in this Item to provide Client with certain financial information or disclosures about our financial condition. Advisor has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding. Advisor does not have custody of Client funds or securities or require or solicit prepayment of fees more than six months in advance.

## **Item 19: Additional Information**

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Advisor may, from time to time, offer advisory services on a professional courtesy basis.