

**Item 1 – Cover Page**

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Date of Firm Brochure: 03/1/2017

CRD/IARD Number: 112198

**This brochure provides information about the qualification and business practices of Culver Investment Company LLC. If you have any questions about the contents of this brochure, please contact us at (303) 442-3670. The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority. Culver Investment Company, LLC is a Registered Investment Adviser. Registration with the Securities Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

**Additional information about Culver Investment Company LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Culver Investment Company LLC is 112198.**

## **Item 2 – Material Changes to Firm Brochure**

### Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our last filing was dated March 15, 2016.

The following changes have been made since our last filing:

- Initiated registration with the Securities and Exchange Commission

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our CCO Mark Culver at (303) 442-3670 or [markc@culvercompanies.com](mailto:markc@culvercompanies.com).

We encourage you to read this document in its entirety.

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## Item 4 – Advisory Business

### A. Description

Culver Investment Company LLC is an investment advisory firm founded in 1997. The firm works directly with retail clients seeking financial planning, advisory, or investment management services. In addition, because of the firm's direct relationship and common ownership of Culver Retirement Services, Inc., which offers consulting and administrative services to ERISA qualified retirement plans, the firm frequently works in an institutional capacity to numerous qualified retirement plans.

The firm's principals and owners are Mark Culver and Donald Culver.

### B. Type of Advisory Services Offered

Culver Investment Company LLC offers the following services to its clients:

1. ***Investment Management Services*** – Discretionary investment management of client's investment accounts. We generally do not offer "tailored" Investment Management Services. Ordinarily, we will assign your account to a predetermined portfolio. The portfolio selected will be consistent with the asset classes as called for in your Investment Management Agreement and derived from your Investment Policy Statement (IPS), to the extent an IPS was drafted through the Financial Planning process.

In all cases, you have a direct ownership of your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate written authorization from you. You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

2. ***Selection and Monitoring of Separately Managed Account managers (SMA)***

We offer Investment Management Services to our clients through the "Manager Selection Programs" (hereinafter, "Programs") of Raymond James Consulting Services (RJCS) and Envestnet Asset Management Inc. Separate Account Program. We provide you with an asset allocation strategy developed through personal discussions in which goals and objectives based on your particular circumstances are established. This asset allocation strategy is typically drafted into the Investment Policy Statement (IPS). Based on your individual circumstances and needs (as

exhibited in your IPS) we will then perform investment manager searches of various unaffiliated Registered Investment Advisors (RIA) to identify which RIA's account management style is appropriate for you. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected RIA. You should refer to the selected RIA's Firm Brochure or other disclosure documents for a full description of the services offered. We are available to meet with you on a regular basis, or as determined by you, to review the account. Once we determine the most appropriate RIA(s) for you, we provide the selected RIA(s) with the IPS. The RIA(s) then creates and manages your account based on your individual needs as exhibited in the IPS. We monitor the performance of the selected RIA(s). If we determine that a particular selected RIA(s) is not providing sufficient management services to you, or is not managing your account in a manner consistent with your IPS, we may suggest that you contract with a different RIA and/or program sponsor. Under this scenario, our firm assists you in selecting a new RIA and/or program.

3. ***Financial Planning Services*** – Culver Investment Company, LLC also provides comprehensive fee-based planning services and/or consulting services to its clients. A written financial plan is created by Culver Investment Company, LLC to assist you in attaining your financial goals. Since no two clients are alike, a financial plan must be designed for you with recommended strategies tailored to your needs, abilities, and financial goals. Consulting is a professional service and can involve any discussion between you and Culver Investment Company, LLC about your financial position. The term “Financial Planning” covers a broad range of services. Your plan may include the following:

**Risk Tolerance Analysis** - The degree of variability in investment returns that you are willing to withstand.

**Asset Allocation** - An investment strategy that aims to balance risk and reward by apportioning your account's assets according to your goals, risk tolerance and investment horizon.

**Retirement Planning** - Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program and managing assets. Future cash flows are estimated to determine if the retirement income goal will be achieved.

**Education Planning** - Education planning includes identifying sources of income, estimating expenses, implementing a savings program and managing assets.

**Charitable Planning** - Planned giving, sometimes referred to as gift planning, may be defined as a method of supporting non-profits and charities that enables philanthropic individuals or donors to make larger gifts than they could make from their income.

**Estate Planning** - Estate plans are set up with the help of an attorney experienced in estate law.

**Budgeting** - Budgeting lies at the foundation of every financial plan. It's really about understanding how much money you have, where it goes, and then planning how to best allocate those funds.

**Life, Disability, and Long Term Care Insurance Planning and Analysis** - Periodically reviewing Life Insurance policies and Disability Insurance policies to determine if the coverage purchased is adequate given your individual circumstances or even necessary as your life circumstances change. Long Term Care Insurance Planning involves evaluating the needs as well as the costs and benefits associated with Long Term Care Insurance, which pays a portion of the costs arising from long term care facilities, such as nursing homes, private nursing, and extended care facilities.

**Deferred Compensation Analysis** - Compensation that has been earned by an employee, but not yet received from the employer.

**Business Succession Planning** - A business succession plan gives a business owner a way to reduce or eliminate his or her stake in the business and, if the business is successful, make a substantial profit. If the business is not successful, a business succession plan enables the entrepreneur to limit losses.

4. ***Advisory Services to ERISA Qualified Plans*** – We also provide several advisory services separately or in combination to pension plans, profit sharing plans, or 401(k) plans. Where appropriate, we may offer these services as well to individuals, trusts, estates and charitable organizations. Advisory Services to ERISA Qualified Plans are comprised of four distinct services. You may choose to use any or all of these services.

*Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with you (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring investment performance.

*Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

*Monitoring of Investment Performance:*

We monitor plan investments regularly, based on the procedures and timing intervals delineated in the Investment Policy Statement. We supervise the plan's account and will make recommendations to the plan sponsor as market factors and the client's needs dictate.

*Employee Communications:*

For pension plans, profit sharing plans, and 401(k) plans with individual plan participants exercising investment direction over assets in their own account ("participant-directed plans"), we may also provide periodic educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and you under the guidelines established in ERISA Section 404(c). Where we are operating in the capacity of an Advisor to the Plan Sponsor, educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations. When we are operating in the capacity of a "Fiduciary Advisor" to the Plan Sponsor, these services are intended to fall within the description of Investment Advisory Services as defined in ERISA §3(21) (A).

5. *Advisory Services to Plan Participants of 401(k) Plans* – We can provide Advisory Services to individual plan participants of 401(k) Plans where we likely are also contracted to provide plan level Advisory Services (see Item 4 above). Where an individual participant requests such services, we will work with that individual participant in an advisory capacity to assist them with the following items:
  - a. Gap Analysis: Determining an appropriate wage withholding level taking into consideration current account balances, including outside (other retirement and /or non-qualified) funds, anticipated Social Security income, and retirement income needs.
  - b. Retirement account investment allocation and periodic rebalancing (where possible).

C. Customization of Services

1. *Investment Management Services* – In respect to discretionary Investment Management Services to accounts managed by Culver Investment Company, LLC, on request of the client, the firm will refrain from purchasing securities that operate in certain markets as specified by the client.
2. *Selection and Monitoring of Separately Managed Account (SMA) Managers* – insofar as this service is offered in coordination with Raymond James Consulting Services (RJCS) and/or Envestnet Asset Management Inc. Separate Account Program, there is very little customization we can offer.
3. *Financial Planning Services* - Financial Planning is a process that focuses on ascertaining your financial goals and then developing a plan to help you achieve those goals. A written financial plan is created by Culver Investment Company, LLC to assist you in attaining your financial goals. Since no two clients are alike, a



financial plan must be designed for you with recommended strategies tailored to your needs, abilities, and financial goals. Consulting is a professional service and can involve any discussion between you Culver Investment Company, LLC about your financial position.

4. *Advisory Services to ERISA Qualified Plans* – Very little customization of our services can be offered with this service as we follow fairly rigidly the “Scorecard<sup>SM</sup> System” as licensed from Retirement Plan Advisory Group.
5. *Advisory Services to Plan Participants of 401(k) Plans* – Very little customization of our services can be offered with this service as services are limited to Gap Analysis and Account Allocation.

**D. Wrap Fee Programs - Selection and Monitoring of Separately Managed Account (SMA) Managers**

1. *Raymond James Consulting Services (RJCS)* – We do offer access to the Raymond James Consulting Services investment management program sponsored by Raymond James Financial Services. Raymond James Financial Services and the RJCS program are completely independent from Culver Investment Company LLC. Through this program, numerous third party investment managers outside of and independent from Culver Investment Company LLC are made available to you. Generally, we will suggest accessing these investment managers in circumstances where Culver Investment Company LLC lacks the specialization and expertise necessary to directly manage your account, such as small capitalization stocks or foreign securities. In evaluating the RJCS program, it is important to understand that Raymond James Financial Services coordinates and distributes the program and collects a portion of the investment management fee for these services. In addition, the designated investment manager will receive a portion of the investment management fee. Finally, Culver Investment Company LLC will receive a portion of the investment management fee for advisory services to you. Because there are three parties involved (distributor/custodian, investment manager, and investment advisor) with this product, the investment management fee you pay will be higher than what you would pay if you were to access the investment manager directly. In addition, a conflict of interest will exist in recommending managers within the RJCS program as Culver Investment Company LLC will receive a lower management fee than if these assets were managed by Culver Investment Company, LLC directly. We manage this conflict of interest by using and periodically referencing and rebalancing your accounts according to your Investment Policy Statement (IPS) which defines specific asset class targets.
2. *Envestnet Asset Management Inc. Separate Account Program* - We do offer access to the Envestnet Asset Management Inc. Separate Account Program sponsored by Envestnet Asset Management Inc. Envestnet Asset Management Inc. is completely independent from Culver Investment Company LLC. Through this program, numerous third party investment managers outside of and independent from

Culver Investment Company LLC are made available to you. Generally, we will suggest accessing these investment managers in circumstances where Culver Investment Company LLC lacks the specialization and expertise necessary to directly manage your account, such as small capitalization stocks or foreign securities. In evaluating the Envestnet Asset Management Inc. Separate Account Program program, it is important to understand that Envestnet Asset Management Inc. Separate Account Program coordinates and distributes the program and collects a portion of the investment management fee for these services. In addition, the investment manager will receive a portion of the investment management fee. In addition, the custodian/broker will receive a portion of the investment management fee for executing trades and providing account custody services. Finally, Culver Investment Company LLC will receive a portion of the investment management fee for advisory services to you. Because there are four parties involved (distributor, investment manager, custodian/broker, and investment advisor) with this product, the investment management fee you pay will be higher than what you would pay if you were to access the investment manager directly. In addition, a conflict of interest will exist in recommending managers within the Envestnet Asset Management Inc. Separate Account Program as Culver Investment Company LLC will receive a lower management fee than if these assets were managed by Culver Investment Company, LLC directly. We manage this conflict of interest by using and periodically referencing and rebalancing your accounts according to your Investment Policy Statement (IPS) which defines specific asset class targets.

**E. Assets Under Management**

As of 2/14/2017, Culver Investment Company LLC had Discretionary Management of \$52,746,809.

As of 2/14/2017, Culver Investment Company LLC had Nondiscretionary Management of \$48,671,923.

### Item 5 – Fees and Compensation

Depending on the services we are providing we are compensated as follows:

**Investment Management Services** – A calendar quarterly investment management fee is billed in advance based on your account balance on the last business day of the calendar quarter. The relevant fee billed is defined in the following Fee Schedule. This fee may be debited directly from your investment account or you may pay this fee separately. You will need to indicate how you would like to pay this fee in your investment management contract. Additional fees and expenses you may incur are: brokerage commissions, principal markups and discounts, SEC fees, mutual fund expense ratios, mutual fund 12B-1 fees, tax withholding on certain foreign securities, postage fees, wire fees, bank charges, and other administration fees as authorized by you. ***Please refer to Section 12 for information on brokerage fees and services.***

The quarterly investment management fee is billed in advance of each new calendar quarter. If you terminate your investment management agreement prior to the end of the calendar quarter, we will generate a “negative” invoice (reporting a balance due to you) at the end of the calendar quarter. The prorated refund will be calculated from the date Investment Management Services are terminated through the end of the calendar quarter. If you would like to dispute the amount of the refund as reported on the “negative” invoice, please submit notice within 3 business days. In the event we receive no dispute, we will assume you are in agreement with our refund calculation and issue a check to you in the amount of the “negative” invoice.

Culver Investment Company LLC receives no additional compensation from Investment Management Services as described herein and not otherwise disclosed.

#### **Investment Management Services Fee Schedule**

##### *Equity Growth Accounts and Balanced Growth Accounts*

On the first \$500,000:	0.4375% per quarter (1.75% annualized)
On the next \$500,000:	0.3750% per quarter (1.50% annualized)
On the next \$1,000,000:	0.3125% per quarter (1.25% annualized)
On the next \$3,000,000:	0.2500% per quarter (1.00% annualized)
On the next \$5,000,000:	0.1875% per quarter (0.75% annualized)
Accounts in excess of \$10,000,000 are negotiable	

##### *Equity Income Accounts and Balanced Income Accounts*

On the first \$500,000:	0.3125% per quarter (1.25% annualized)
On the next \$500,000:	0.2500% per quarter (1.00% annualized)

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On the next \$1,000,000:	0.2125% per quarter (0.85% annualized)
On the next \$3,000,000:	0.1750% per quarter (0.70% annualized)
On the next \$5,000,000:	0.1625% per quarter (0.65% annualized)
Accounts in excess of \$10,000,000 are negotiable	

### *Fixed Income Accounts*

On the first \$1,000,000:	0.2500% per quarter (1.00% annualized)
On the next \$1,000,000:	0.1875% per quarter (0.75% annualized)
On the next \$3,000,000:	0.1625% per quarter (0.65% annualized)
On the next \$5,000,000:	0.1250% per quarter (0.50% annualized)
Accounts in excess of \$10,000,000 are negotiable	

### *Managed Mutual Fund Accounts\**

On the first \$500,000:	0.2500% per quarter (1.00% annualized)
On the next \$500,000:	0.1875% per quarter (0.75% annualized)
On the next \$1,000,000:	0.1625% per quarter (0.65% annualized)
On the next \$3,000,000:	0.1250% per quarter (0.50% annualized)
On the next \$5,000,000:	0.1000% per quarter (0.40% annualized)

Accounts in excess of \$10,000,000 are negotiable

\*management fees disclosed herein do not include expense ratios, trading costs, or other expenses charged by the individual mutual fund companies. Expense ratios and other expenses are disclosed by prospectus from the respective mutual fund. Trading costs typically are not disclosed.

### *Managed Exchange Traded Fund (ETF) Accounts\**

On the first \$500,000:	0.1875% per quarter (0.75% annualized)
On the next \$500,000:	0.1625% per quarter (0.65% annualized)
On the next \$9,000,000:	0.1250% per quarter (0.50% annualized)

Accounts in excess of \$10,000,000 are negotiable

\*management fees disclosed herein do not include expense ratios, trading costs, or other expenses charged by the ETF. Expense ratios and other expenses are disclosed by prospectus from the respective ETF. Trading costs typically are not disclosed.

We aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee based on the asset levels available in our fee schedule

Either party may terminate your management agreement at any time with written notice.

- A. Selection and Monitoring of Separately Managed Account (SMA) Managers - A calendar quarterly investment management fee is billed based on your account balance on the last business day of the calendar quarter. The relevant fee billed is defined in the

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following Fee Schedule. This fee may be debited directly from your investment account or you may pay this fee separately. You will need to indicate how you would like to pay this fee in your investment management contract. You will receive an invoice each quarter which includes the fee calculation so you may verify the accuracy of the invoice. Additional fees and expenses you may incur are: brokerage commissions, principal markups and discounts, SEC fees, mutual fund expense ratios, mutual fund 12B-1 fees, tax withholding on certain foreign securities, postage fees, wire fees, bank charges, and other administration fees as authorized by you.

The quarterly investment management fee is billed in advance of each new calendar quarter. If you terminate your investment management agreement prior to the end of the calendar quarter, the broker/dealer will calculate the appropriate refund and promptly deliver this amount to your account.

Culver Investment Company LLC receives no additional compensation from the Selection and Monitoring of Separately Managed Account (SMA) Managers as described herein and not otherwise disclosed.

### *Raymond James Consulting Services (RJCS) Program*

as disclosed in RJCS disclosures

#### Equity, Balanced, and Convertible Disciplines\*

Accounts less than \$500,000

First \$200,000 is billed at 3.00%

Next \$300,000 is billed at 2.50%

Accounts equal to or greater than \$500,000

First \$500,000 is billed at 2.50%

Next \$500,000 is billed at 2.00%

Next \$1,000,000 is billed at 1.60%

Next \$3,000,000 is billed at 1.30%

Greater than \$10,000,000 is negotiable

Fixed Income Disciplines\*

First \$500,000 is billed at 1.25%

Next \$500,000 is billed at 0.90%

Next \$1,000,000 is billed at 0.80%

Next \$8,000,000 is billed at 0.65%

Greater than \$10,000,000 is negotiable

\*The minimum annual combined Administrative and Clearing fee per Account is \$600

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### *Envestnet Asset Management Inc. Separate Account Program*

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	Equity and Balanced Accounts**	Fixed Income Accounts**
First \$250,000:	2.35%	2.25%
\$250,001 - \$500,000:	2.35%	2.25%
\$500,000 - \$1,000,000:	2.35%	2.25%
\$1,000,001 - \$2,000,000:	2.35%	2.23%
\$2,000,001 - \$3,000,000:	1.78%	2.22%
Over \$5,000,000	Negotiable	Negotiable

\*\*Minimum annual account fee of \$350

Custody fees and manager's fees (as applicable) are not included.

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Culver Investment Company LLC receives no additional compensation from Selection and Monitoring of Separately Managed Account (SMA) Managers as described herein and not otherwise disclosed.

- B. Investment Supervisory Services - A calendar quarterly investment supervisory fee is billed based on your account balance on the last day of the calendar quarter. The relevant fee is defined in the following fee schedule. This fee may be debited directly from your investment account or you may pay this fee separately. You will need to indicate how you would like to pay this fee in your investment management contract. You will receive an invoice each quarter which includes the fee calculation so you may verify the accuracy of the invoice. Additional fees and expenses you may incur are: brokerage commissions, principal markups and discounts, SEC fees, mutual fund expense ratios, mutual fund 12B-1 fees, tax withholding on certain foreign securities, postage fees, wire fees, bank charges, and other administration fees as authorized by you.

The quarterly fee for these services is billed in arrears of the prior calendar quarter.

\$0 - \$2,000,000:	0.60%
\$2,000,000 - \$5,000,000:	0.40%
\$5,000,000+	0.10%

To calculate arrear billing Culver Investment Company LLC assumes a 365 day year. Calculations are as follows:

$$[(\text{Quarter End Value} \times \text{Advisory Fee}) / 365] \times \# \text{ of days in the quarter} = \text{Advance Billing.}$$

Either party may terminate your management agreement at any time with written notice.

- C. Financial Planning Services – As laid out in a separate Investment Advisory Agreement, fees that you can expect to be billed for Financial Planning Services are billed at the rate of \$400 per hour.

When you formally engage us for such services, we will deliver a Financial Plan to you. You will then have several options open to you. Obviously, you can reject the Financial Plan as prepared in whole or in part or you can choose to implement the plan. If you choose to implement the plan as provided or any portion thereof, you will have several options open to handle the execution, management, and monitoring of the Financial Plan. First, you have the option of hiring an investment firm of your own choosing not affiliated with Culver Investment Company LLC. Second, you have the option of implementing the Financial Plan on your own and without any outside help and professional assistance. Finally, you have the option to engage Culver Investment Company LLC or an affiliated company to implement part or all of the Financial Plan. If you elect to engage Culver Investment Company LLC to execute, manage, and monitor the Financial Plan, we will offset any Financial Planning fees billed under the “Investment Advisory Agreement” against any Investment Management Fees or Commissions that are generated on your behalf and as a result of executing, managing, and monitoring the Financial Plan. In the event you elect to reject the Financial Plan in whole or in part, or engage a firm other than Culver Investment Company LLC or its affiliates to execute, manage, and monitor the Financial Plan in whole or in part, or implement the Financial Plan on your own, any fees billed under this section for Financial Planning Services shall become collectable.

Furthermore, regardless of the method or service method you choose to implement your Financial Plan, there will be additional costs and fees associated with the implementation and ongoing monitoring and management of your Financial Plan that you need to consider carefully. These additional costs and fees can be substantial and vary greatly depending on the service model and provider you ultimately decide upon. Such costs and fees may include, but are not necessarily limited to: investment management fees, trading costs, principal discounts and premiums, mutual fund loads, mutual fund expense ratios, mutual fund 12B-1 fees, early redemption fees, custodial fees, account service fees, bank fees, brokerage commissions, insurance company commissions, and insurance policy surrender charges.

Culver Investment Company LLC receives no additional compensation from Financial Planning Services as described herein and not otherwise disclosed.

Either party may terminate your management agreement at any time with written notice.

- D. Advisory Services to ERISA Qualified Plans - We will receive compensation for advisory services to an ERISA qualified plan, typically a 401(k) plan, in one of two ways.

*Flat Advisory Fee Arrangement* - Under this arrangement, we will bill your 401(k) plan, or build in a markup with the service provider, a flat advisory fee which we will collect periodically depending on the service provider. Typically, the periodicity of these transactions are monthly, every 6 weeks, or quarterly. This fee is generally negotiable, but typically ranges from 0.25% to 0.80% of assets in the plan.

*Bundled Advisory Fee Arrangement* – Under this arrangement, we will collect directly from the contracted service provider an advisory fee to be debited from your 401(k) either directly or indirectly. Typically, compensation received under this arrangement is generated from mutual fund revenue sharing payments, insurance company renewal payments, or some other such source. The actual amount of compensation paid to us (in either dollars or percentage of plan assets) under this type of arrangement will be disclosed on the service provider’s annually distributed §408(b)(2) disclosure (to the plan sponsor) and §404(a)(5) disclosure (to plan participants in the case of participant directed plans). In addition, these payments are typically included in the posted Expense Ratio in the event of a mutual fund or the Mortality & Expense Ratio in the case of an insurance company. Both of these ratios are disclosed in the respective fund prospectus as published by respective service provider.

Where we operate as an Advisor to an ERISA Qualified Plan and collect a Flat Advisory Fee (Item 1 above), a conflict of interest will arise to maximize revenue sharing payments from the mutual fund companies selected. Because, we will offset these revenue sharing payments against the Flat Advisory Fee we charge to the plan, these payments will accrue to the plans benefit and not our benefit. However, in order to minimize the apparent fees paid directly by the plan, an incentive will exist to recommend funds solely or primarily based on their revenue sharing payout and not based on long term performance criteria or suitability for your plan. In order to control this conflict of interest, we license the “Scorecard System<sup>SM</sup>” from Retirement Plan Advisory Group and as much as possible adhere to the recommended buy list, watch list, and sell list for the mutual fund universe generated by that system which does not consider any revenue sharing arrangements in its scoring system. In addition, we have no authority to effect mutual fund additions or deletions from your plan without your written consent.

Either party may terminate your management agreement at any time with written notice.

- E. Advisory Services to Plan Participants of 401(k) Plans – We will receive compensation for advisory services to Plan Participants of 401(k) Plans in one of three ways.



*Flat Advisory Fee Arrangement* – Under this arrangement, we will bill your 401(k) plan, or build in a markup with the service provider, a flat advisory fee which we will ordinarily collect monthly. This fee is generally negotiable, but typically ranges from 0.02% to 0.05% of assets in the plan. Where possible, we will endeavor to rebate or offset any revenue sharing payments made on your plans account. However, depending on the service provider's contract, these rebates or offsets might not be possible. In no case will we, as your contracted Investment Advisory Firm, retain any revenue sharing payments where we are also collecting a flat advisory fee.

*Fixed Advisory Fee Arrangement* – Under this arrangement, we will bill your 401(k) plan a fixed advisory fee which we will ordinarily collect monthly. This fee is generally negotiable, but typically ranges from \$12/month to \$350/month. Where possible, we will endeavor to rebate or offset any revenue sharing payments made on your plans account. However, depending on the service provider's contract, these rebates or offsets might not be possible. In no case will we, as your contracted Investment Advisory Firm, retain any revenue sharing payments where we are also collecting a fixed advisory fee.

*Bundled Advisory Fee Arrangement* - Under this arrangement, we will collect directly from the contracted service provider an advisory fee to be debited from your 401(k) either directly or indirectly. Typically, compensation received under this arrangement is generated from mutual fund revenue sharing payments, insurance company renewal payments, or some other such source. The actual amount of compensation paid to us (in either dollars or percentage of plan assets) under this type of arrangement will be disclosed on the service provider's annually distributed §408(b)(2) disclosure (to the plan sponsor) and §404(a)(5) disclosure (to plan participants in the case of participant directed plans). In addition, these payments are typically included in the posted Expense Ratio in the event of a mutual fund or the Mortality & Expense Ratio in the case of an insurance company. Both of these ratios are disclosed in the respective fund prospectus as published by respective service provider.

Where we are contracted to provide Advisory Services to Plan Participants of 401(k) Plans, a conflict of interest will arise that could encourage us to only pursue larger account balances. In order to control this conflict, we collect an advisory fee from the plan based on either; the total plan assets, not on any individual participants balance (the Flat Advisory Fee Arrangement or Bundled Advisory Fee Arrangement), or a Fixed Advisory Fee. It is important to understand that in contracting with us for Advisory Services to Plan Participants of 401(k) Plans, ALL participants will pay a pro-rata share of the fee, but very likely some participants will not utilize the services.

## Item 6 – Performance Based Fees

Culver Investment Company LLC does not charge or participate in any performance based compensation arrangements.

## Item 7 – Types of Clients Served

Culver Investment Company LLC generally provides Investment Management Services, Selection and Monitoring of Separately Managed Account Managers, Financial Planning, and Advisory Services to ERISA Qualified Plans to individual clients, ERISA qualified retirement plans, charitable foundations, and donor advised funds.

Generally, for Investment Management Services, Culver Investment Company LLC maintains a \$100,000 minimum in aggregate investable assets. This minimum is in place primarily to prevent your accounts from becoming excessively concentrated in any single security and to also reduce trading costs as a percentage of your overall asset base. In certain instances at the discretion of Culver Investment Company LLC, this minimum may be waived if we determine your account can be adequately diversified at an amount less than \$100,000. However, because trading costs are typically a fixed and per transaction cost imposed by the custodian, smaller accounts will incur incrementally higher trading costs expressed as a percentage of the account balance.

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

### A. Methods of Analysis

1. *Investment Management Services* – Culver Investment Company LLC will use several different methods to determine individual securities to hold in your account. As a firm, we are primarily concerned with overarching macro-economic trends. We will review and analyze numerous sources to evaluate these trends. These determinations will figure prominently in our decisions about how to invest your account.
  - a. *Equity (Stock) Accounts* - We then develop assumptions and conclusions from the above described macro-economic analysis to develop further assumptions and conclusions about the business cycle. Based on these assumptions and conclusions, we will construct and review an investment model with specific investment allocation weightings for the various business sectors.

Finally, we choose the individual companies in which to invest according to the sector weights described above. We will look first for companies that participate

in the business sectors we choose to invest in and then look for the most promising companies within those sectors.

*Material Risk Factors of Equity (Stock) Accounts* - There is no guarantee that a particular strategy will meet its investment goals. Additionally, the investment strategies and techniques Culver Investment Company, LLC uses within a given strategy will vary over time depending on various factors. Culver Investment Company, LLC may give advice and take action for clients which differs from advice given or the timing or nature of action taken for other clients with different objectives. Culver Investment Company, LLC is not obligated to initiate transactions for clients in any security which its principals, affiliates or employees may purchase or sell for their own accounts or for other clients.

- b. *Fixed Income (Bond) Accounts* - The macro-economic assumptions and conclusions developed from the process described above will then be used to determine maturity durations and to a lesser extent the credit quality of the bonds we will buy for your account.

*Material Risk Factors of Fixed Income (Bond) Accounts* - There is no guarantee that a particular strategy will meet its investment goals. Additionally, the investment strategies and techniques Culver Investment Company, LLC uses within a given strategy will vary over time depending on various factors. Culver Investment Company, LLC may give advice and take action for clients which differs from advice given or the timing or nature of action taken for other clients with different objectives. Culver Investment Company, LLC is not obligated to initiate transactions for clients in any security which its principals, affiliates or employees may purchase or sell for their own accounts or for other clients.

Fixed Income objectives are generally more conservative than the Equity objectives. The primary goal of these objectives is to generate current income while conserving principal. Fixed Income investors generally seek consistent returns with lower risk. Because of the objective's less volatile nature, the Fixed Income investor may have a shorter investment time horizon than Equity and Balanced investors. Fixed Income investments, although generally less volatile than equity investments, may lose value and may result in loss of investment.

- c. *Mutual Fund and Exchange Traded Funds (ETF) Accounts* - We may recommend mutual fund investments if your account does not meet minimum valuation requirements of either Culver Investment Company LLC or that of a Third Party Separately Managed Account (SMA). The process we use for determining what mutual funds to hold in your account is based on the

“Scorecard<sup>SM</sup> System” from Retirement Plan Advisory Group. The Scorecard<sup>SM</sup> System methodology incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The Scorecard<sup>SM</sup> System is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure Active, Passive and Asset Allocation investing strategies.

We may recommend ETF investments if your account does not meet minimum valuation requirements of either Culver Investment Company LLC or that of a Third Party Separately Managed Account (SMA). The process we use for determining what ETF's to purchase is virtually identical to the initial process described above for Equity (stock) and/or Fixed Income (bond) accounts.

*Material Risk Factors of Mutual Fund and ETF Accounts* - There is no guarantee that a particular strategy will meet its investment goals. Additionally, the investment strategies and techniques Culver Investment Company, LLC uses within a given strategy will vary over time depending on various factors. Culver Investment Company, LLC may give advice and take action for clients which differs from advice given or the timing or nature of action taken for other clients with different objectives. Culver Investment Company, LLC is not obligated to initiate transactions for clients in any security which its principals, affiliates or employees may purchase or sell for their own accounts or for other clients.

Clients should be aware that ETFs and mutual funds have unique characteristics and their cost structures differ, sometimes significantly. Because mutual funds are typically actively managed, the underlying management fees and operating expenses assessed by the fund companies are generally higher than those for ETFs, which typically seek to track the performance of an index (typically 1% to 1.5% for mutual funds versus .20% to .40% for ETFs, although individual mutual funds and ETFs may have higher or lower expense ratios). However, Culver Investment Company LLC, as well as the “Scorecard<sup>SM</sup> System” in the case of Mutual Funds, considers the expense ratio when selecting funds and, where available, will select mutual fund classes with a lower expense ratio (institutional or advisor class), where available. Expense ratios for mutual funds or ETFs selected are on average less than 1.00% for mutual funds and less than 0.30% for ETFs, net of 12(b)-1 fees, if any. 12(b)-1 fees, which if received by your custodian, are retained by the custodian.

Unlike shares of mutual funds, shares of ETFs are bought and sold based on market values throughout each trading day, and not at net asset value. For this reason, shares could trade at either a premium or discount to net asset value. The portfolio of securities held by an ETF that tracks an index is publicly disclosed on each trading day, and an approximation of the actual net asset value is disseminated throughout the trading day. Because of this transparency, the

trading prices of these index-based ETFs tend to closely track the actual net asset value of the underlying portfolios. If an ETF trades at a discount to its net asset value, the ETF may decline in value even if the securities in which it invests go up in value.

2. *Selection and Monitoring of Separately Managed Accounts (SMA)* – We will recommend hiring Separately Managed Account Managers should your investment needs require exposure to a particular asset class that we simply do not have internal expertise. Ordinarily, we will recommend using Separately Managed Account Managers if your Asset Allocation model and Investment Policy Statement require the use of a US Small Capitalization Manager (a manager for US companies with relatively small market capitalization) or a foreign stock manager beyond the relatively incidental exposure you would get from direct management by Culver Investment Company LLC. We certainly could recommend hiring Separately Managed Account Managers in other asset classes; however, historically the majority of our recommendations in this respect have been for management of US Small Capitalization stocks and foreign securities.

Generally, when selecting a Separately Managed Account Manager, we will rely heavily on the advice and recommendations of the sponsors of the respective Separately Managed Account Managers program. Specifically, where the Envestnet Asset Management Inc. Separate Account Program is used, we will seek recommendations from Envestnet, Inc. When the Raymond James Consulting Services Program is used, we will seek the recommendations of Raymond James Financial Services.

3. *Advisory Services to ERISA Qualified Plans* – We license and employ the “Scorecard<sup>SM</sup> System” from Retirement Plan Advisory Group to analyze, rank, and report on the mutual funds held in an ERISA Qualified Plan (typically a 401k Plan). The Scorecard<sup>SM</sup> System methodology incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The Scorecard<sup>SM</sup> System is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best) and has the ability to measure Active, Passive and Asset Allocation investing strategies. The Scorecard<sup>SM</sup> Point System is meant to be used in conjunction with the Retirement Plan Advisory Group sample Investment Policy Statement, in order to help identify what strategies need to be discussed as a “watch-list” or removal candidate; what strategies continue to meet some minimum standards and continue to be appropriate; and/or identify new top-ranked strategies for inclusion into a plan.

Culver Investment Company, LLC generally provides Advisory Services to accounts in an advisory capacity only. As plan sponsor, the ultimate authority on whether to act upon our advice and implement a suggested transaction rests with you.

**4. Advisory Services to Plan Participants of 401(k) Plans**

*Gap Analysis* – In order to generate a target 401(k) withholding rate for a Plan Participant, we have designed a proprietary Microsoft Excel spreadsheet that derives this calculation taking into consideration such variables as: Inflation Rate, Growth Assumptions, Current Income, Anticipated Income, Retirement Age, & Current Retirement Savings, Anticipated Social Security Income, and other variables. After populating this spreadsheet, we will share with you, the Plan Participant, the Anticipated Deficit or Anticipated Surplus derived. You will then need to take a proactive action if you desire to implement any of the recommendations.

*Retirement Account Investment Allocation* – We will ask you to fill out a short questionnaire designed to quantify your tolerance for investment risk. We will then use your responses to generate a suggested Investment Allocation that you may implement at your discretion. We use the Allocation Master module of Sungard's WealthStation software to generate this report.

**B. Descriptions of Material Risks**

The securities in Culver Investment Company's client portfolios typically include exchange-traded funds (ETFs), mutual funds, stocks, corporate and municipal bonds, and other assets, all of which are subject to some or all of the following risk factors:

*Credit Risk:* Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

*Derivatives Risk:* Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

*Foreign Investment Risk:* Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

*Interest Rate Risk:* In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

*Liquidity Risk:* Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly, or may only be able to sell investments at less than desired prices.

*Management Risk:* We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

*Market and Economic Risk:* Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

*Prepayment Risk* – Decreases in market interest rates may result in prepayments of obligations in the account, requiring the account to reinvest at lower interest rates.

*Real Estate Risk:* An account's investments in real estate investment trusts ("REITs") are subject to risks affecting real estate investments generally (including market conditions, competition, property obsolescence, changes in interest rates and casualty to real estate), as well as risks specifically affecting REITs (the quality and skill of REIT management and the REIT's internal expenses).

*Risks Affecting Specific Issuers:* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

*Smaller Company Risk:* Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

*Structured Products Risk:* An account's investments in structured finance arrangements, including Collateralized Mortgage Obligations (CMOs), Collateralized Debt Obligations (CDOs), Collateralized Loan Obligations (CLOs), involve the risks associated with the underlying pool of securities or other assets, as well as risks different or greater than the risks affecting the underlying assets. In particular, these investments may be less liquid than other debt obligations, making it difficult for an account to value its investment or sell the investment in a timely manner or at an acceptable price.

C. Risk of Loss - Prior to entering into an agreement with Culver Investment Company, LLC, you should carefully consider:

1. Investing in securities involves risk of loss which you should be prepared to bear;



2. Securities markets experience varying degrees of volatility;
3. Over time, the value of your assets will fluctuate and at any time be worth more or less than the amount you invested;
4. Commit to Culver Investment Company, LLC investment management only those assets that you believe you will not need for current purposes and that can be invested on a long-term basis, usually a minimum of five years, and
5. Please review the relevant description of Material Risks of the various Methods of Analysis and Investment Strategies (Item 8) you may be considering.

### **Item 9 – Disciplinary Information**

- A. Neither the firm nor any of its principals or management personnel has been the subject of a criminal or civil action in a domestic, foreign, or military court in the last 10 years.
- B. The Firm and Mark Culver (Respondents) acting as principal entered into Consent Order #15-6-07 with the Securities Commissioner for the State of Colorado (Staff) dated 09/04/2015. The state found that from approximately June 14, 2012 to April 12, 2015, Ivan V. Sichkar, engaged in unlicensed activity as an investment advisor representative on behalf of Respondents, and was referred to in Part 2B of Respondent's Form ADV as a "registered advisor" of Respondents, when in fact he was not licensed with the State of Colorado during that period.

In order to resolve this matter without a formal hearing, the firm agreed to: 1. Permanently cease and desist from conduct in violation of the Act and Rules under the Act; 2. Maintain Mr. Sichkar's licensure as an investment advisor representative in the State of Colorado; 3. License all persons the firm employs or engages to perform the duties of an investment advisor representative in the State of Colorado; 4. Maintain current investment advisor representative licenses for all persons the firm employs to provide investment advisory services in the State of Colorado; 5. Disclose this stipulation and order in the CIC Form ADV Part 1, the CIC Form ADV Part 2A, in Culver's Form U-4, and Culver's Form ADV Part 2B; and 5. Correct other deficiencies discovered during the examination. Respondents neither admit nor deny the allegations contained within the Stipulation for Consent Order.

Neither the firm nor any of its principals or management personnel has been the subject of a proceeding before any Self-Regulatory Organization (SRO) in the last 10 years.

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

- A. Donald Culver is a FINRA registered representative of Valmark Securities Inc. ("Valmark"), a full service broker-dealer, member FINRA/SIPC, which compensates them for effecting securities transactions. When placing securities transactions through



Valmark in their capacity as registered representatives, they may earn sales commissions. Because the IARs are dually registered agents of Valmark and Culver Investment Company, LLC, Valmark has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. Valmark and Culver Investment Company, LLC are not affiliated companies. IARs of Culver Investment Company, LLC spend a portion their time in connection with broker/dealer activities.

As a broker-dealer, Valmark engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Culver Investment Company, LLC or its IARs, investments in securities may be recommended for clients. If Valmark is selected as the broker-dealer, Valmark and its registered representatives, including Donald Culver, may receive commissions for executing securities transactions. However, no commissions will be assessed on assets under Culver Investment Company, LLC management.

You are advised that if Valmark is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you have the right to decide whether or not to purchase securities through Donald Culver or Valmark.

Moreover, you should note that under the rules and regulations of FINRA, Valmark has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require Valmark to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than Valmark. Valmark may collect, as paying agent of Culver Investment Company, LLC, the investment advisory fee remitted to Culver Investment Company, LLC by the account custodian. Valmark may retain a portion of the investment advisory fee you pay, as a charge for the functions it performs, and such portion may be further re-allowed to other registered representatives of Valmark. The charge will not increase the advisory fee you have agreed to pay Culver Investment Company, LLC.

- B. At this time, neither Culver Investment Company, LLC nor any of our management personnel are registered as or an associated person of any futures commission merchant, commodity pool operator, or commodity trading advisor.
- C. Culver Investment Company LLC and Culver Retirement Services Inc. are affiliated companies under common ownership. Culver Retirement Services, Inc. provides ERISA qualified retirement plans with consulting services and third party administration services. As such, a conflict of interest exists whereby Culver Investment Company LLC may recommend the services of Culver Retirement Services, Inc. and vice versa. You should be aware that the services and recommendations of Culver Investment Company LLC do not have to be implemented or executed by Culver Retirement Services, Inc.

Similarly, any services or recommendations of Culver Retirement Services, Inc. do not have implemented or executed by Culver Investment Company, LLC.

- D. Culver Investment Company, LLC and Culver Insurance Services, LLC are affiliated companies under common ownership. Culver Insurance Services, LLC is a state registered insurance brokerage firm generally set up to assist Culver Investment Company, LLC in securing insurance products where necessary in the Financial Planning process. Because of the common ownership of the two entities, a conflict of interest exists whereby Culver Investment Company LLC may recommend the services of Culver Insurance Services, LLC and vice versa. You should be aware that the services and recommendations of Culver Investment Company LLC do not have to be implemented or executed through Culver Insurance Services, LLC. Similarly, any services or recommendations of Culver Insurance Services, LLC do not have implemented or executed by Culver Investment Company, LLC.
- E. Except as described in Item 4.B.2. "Selection and Monitoring of Separately Managed Account Managers," we do not recommend or select other investment advisors for you, nor do we receive any compensation directly or indirectly from any other advisor.

You should be aware that a Conflict of Interest will exist when we are providing "Selection and Monitoring of Separately Managed Account Managers" services to you. Our compensation is materially less from providing "Selection and Monitoring of Separately Managed Account Managers" than from managing your account directly through an "Investment Management" agreement. Therefore, an incentive will exist to recommend "Investment Management" Services over "Selection and Monitoring of Separately Managed Account Managers" services.

We manage this conflict, under normal circumstances, by refraining from recommending Separately Managed Account Managers in areas where we have a stated expertise, specifically; US Large Capitalization Stocks, US Middle Capitalization Stocks, US Government Bonds, and US Corporate Bonds and will ordinarily recommend our Investment Management Services without consideration for Separately Managed Account Managers. Further, under normal conditions, we will refrain from recommending ourselves in areas where we do not have a stated expertise, specifically; US Small Capitalization Stocks and foreign stocks. In these instances, we will ordinarily recommend Separately Managed Account Managers without consideration for our Investment Management services.

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

- A. Code of Ethics – we have adopted a written Code of Ethics pursuant to SEC rule 201A-1. This Code establishes rules of conduct for all employees of Culver Investment Company, LLC and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that we owe a fiduciary duty to you to conduct our affairs, including personal securities transactions, in such a manner as to avoid (i) serving our personal interests ahead of yours, (ii) taking inappropriate advantage of our position with the firm and (iii) any actual or potential conflicts of interest or any abuse of our position of trust and responsibility. The Code is designed to ensure that the high ethical standards long maintained by Culver Investment Company, LLC continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

You have a right to review our Code of Ethics. Upon request, we will gladly send you a copy. Please contact us at 303-442-3670 or [markc@culvercompanies.com](mailto:markc@culvercompanies.com) to request our Code of Ethics.

- B. Personal Trading – we may from time to time buy (or sell) securities for our own accounts that we have also purchased (or sold) in your account. In these instances where we are executing transactions for personal accounts that are also subject to an Investment Management Agreement, we will make such transactions simultaneously and at the same price as for your account. In such instances where we are executing a transaction for personal accounts that are not under our direct Investment Management, we will always execute such trades after fulfilling orders for your account.

A conflict of interest will exist whereby we could take advantage of internal information and order flow to place securities orders for our benefit and to your detriment. We control this conflict of interest by; 1) prohibiting “front-running” transactions as described above and only entering trades for personal accounts after having executed such trades for your account (or simultaneously in the case of personal “managed” accounts, 2) we do not enter trades on a principal basis (from our own inventory), but rather only on an agency basis (from the marketplace).

## **Item 12 – Brokerage Practices**

We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services that include custody of securities, trade execution, clearance and settlement of transactions. We may receive certain additional economic benefit (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Culver Investment Company or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by Culver Investment Company or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Our receipt of Additional Services raises the potential for conflicts of interest. In providing Additional Services to us, TD Ameritrade most-likely considers the amount and profitability to

## Part 2A of Form ADV: Firm Brochure

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TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Culver Investment Company, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to its clients that the assets under management by Culver Investment Company be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Culver Investment Company's receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including to seek best execution of trades for client accounts.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker/dealer. Additionally, we typically do not permit you to direct brokerage.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker/dealers other than your custodian to execute trades for your account. The practice of using other broker/dealers may result in additional costs to you so that we are more likely to place trades through your custodian rather than through other broker/dealers. Your custodian's execution quality may be different than other broker/dealers.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing clients (if any) and the broker/dealer(s) through which such transactions will be placed;

We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated.

No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given

security on a given business day, with transaction costs based on each client's participation in the transaction;

We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.

Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.

We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and

Individual advice and treatment will be accorded to each advisory client.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft-dollar commission basis.

#### Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of our clients. In cases where a client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by our firm. If the error is caused by the broker/dealer, the broker/dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers – Investment Supervisory Services**

The underlying securities within the Investment Management Program are regularly monitored. These reviews will be made by Mark Culver. An Annual review is usually conducted in person or by telephone, but may also be conducted over the Internet or via mail.

The purpose of these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political, or economic environment. You are urged to notify us of any changes in your personal circumstances.

### **Statements and Reports**

We generate a written performance report and holdings statements quarterly that are delivered to you. These written performance reports may be generated less frequently, at your request. We encourage meeting with us as necessary, and at least annually, to determine if there have been any changes in your life or your circumstances that might necessitate a revision of your investment model.

You are urged to compare the reports provided by Culver Investment Company against the account statements you receive directly from your account custodian.

*Selection and Monitoring of Separately Managed Account Managers* – If you have an account with us that is managed by a third party through the Raymond James Consulting Services (RJCS) program or the Envestnet Asset Management Inc. Separate Account Program, we typically review your account holdings weekly to insure that your account remains within reasonable variances of the asset allocation targets and investment models in place. Under normal circumstances, the weekly review is performed by Mark Culver. In his absence, this review is delegated to another Investment Analyst.

*Financial Planning Services* – We will review your financial plan typically every three years. Your review will be conducted by your assigned Investment Advisor. We realize that events and circumstances could change dramatically in between normal reviews. Therefore, if you experience an event in your life that might necessitate an early review of your Financial Plan, please let us know and we will be happy to schedule a more frequent review. Such an event might include a marriage, divorce, birth of a child, death or disability of an immediate family member, impending retirement, employment status, or you bought or sold a business. We also



encourage you to ask us if you have any questions about your Financial Plan or the reports that we generate.

*Advisory Services to ERISA Qualified Plans* – Under normal circumstances, our regular practice is to review your retirement plan quarterly and generate written reports and written suggestions of fund replacements for your review and consideration. These written performance reports may be generated less frequently, (semi-annually or annually) at your request. Ordinarily, the quarterly review is performed by Mark Culver.

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

As disclosed under Brokerage Practices, we participate in TD Ameritrade’s institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Culver Investment Company or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by Culver Investment Company or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.



## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, this is the only form of custody we will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

Depending on the services we are contracted to perform for you, your securities will be held and custodied as follows:

- A. Investment Management Services: TD Ameritrade Institutional or Raymond James Financial
- B. Selection and Monitoring of Separately Managed Account Managers: TD Ameritrade Institutional or Raymond James Financial or another custodian of your choosing.
- C. Financial Planning: you will determine the custodian of your accounts and remit statements to us.
- D. Advisory Services to ERISA Qualified Plans: you will determine the custodian of your accounts and remit statements to us.

You should expect to receive statements from the custodian or broker/dealer monthly. You should carefully review these statements and verify their accuracy against statements or reports generated by us.

## **Item 16 – Investment Discretion**

If you contract with us for Investment Management Services as described above, you are granting us a Limited Power of Attorney to manage the securities in your account. As part of our Investment Management Agreement, you will sign a Limited Power of Attorney agreement with us. This means that we will have authority to buy and sell individual securities for your account and your benefit without your approval and without any prior discussion or communication. In addition, you may be granting us the authority to deduct our fee for Investment Management Services directly from your account. We can bill you directly for Investment Management Services if you choose, however the default option is to deduct these fees directly as they are billed. We will not have any further authority over the assets of your account. We cannot issue payment from your account to anyone but you without your written instructions. We cannot assign or transfer your securities to another party except to satisfy a purchase or sale transaction. We cannot attach your securities as collateral for any purpose or reason, except in the event of a margin transaction within your account.

You may place reasonable restrictions on the types of securities we can buy for your account. For instance, it is reasonable and common for clients to place the following types of restrictions on our management:

- No companies in the tobacco industry
- No companies in the adult entertainment industry
- No companies engaged in business in countries that sponsor terrorism

It is important to realize that such restrictions may limit the performance of your account to a degree. It is also important to realize that we cannot guarantee that we will always be able to adhere to these restrictions as companies may have very diverse revenue streams and it is not always possible to ascertain from public documents with 100% certainty that none of their business might be derived, even accidentally, from a prohibited or restricted source.

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

We do not accept the responsibility or the authority for voting proxy shares or other solicitations for the securities you own. You should receive all proxy materials and other solicitation material directly from the custodian or broker/dealer where your securities are custodied. We can assist you in receiving the proxy materials so that you can vote these shares if you desire.

**Item 18 – Financial Information**

- A. We do not require or solicit prepayment of more than \$1200 in fees per client, nor do we require prepayment of fees six months or more in advance.
- B. We do have discretionary authority, but not actual custody, of client funds and securities. We do not solicit or require prepayment of more than \$1200 in fees per client, nor do we require prepayment of fees six months or more in advance. We do not believe that any financial condition exists that could impair our ability to satisfy our contractual commitments to you.
- C. We have not been the subject of a bankruptcy petition in the past ten years.

# FACTS

## WHAT DOES CULVER INVESTMENT CO., LLC DO WITH YOUR PERSONAL INFORMATION?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- assets and transaction history
- investment experience and risk tolerance

When you are *no longer* our customer, we continue to share your information as described in this notice.

### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Culver Investment Co., LLC chooses to share and whether you can limit this sharing.

Reasons we can share your personal information	Does Culver Investment Co., LLC?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
<b>For our marketing purposes—</b> to offer our products and services to you	NO	We do not share
<b>For joint marketing with other financial companies</b>	NO	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	NO	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	NO	We do not share

For our affiliates to market to you	NO	We do not share
For nonaffiliates to market to you	NO	We do not share

<b>Questions?</b>	Call (303) 442-3670
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Who we are	
Who is providing this notice?	Culver Investment Co., LLC

What we do	
How does Culver Investment Co., LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Culver Investment Co., LLC collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ open an account or give us contact information</li> <li>■ enter into an investment adviser contract or give us your income information</li> <li>■ tell us about your investment or retirement portfolio</li> </ul> <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing</p>

## Definitions

### Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- ***Culver Investment Co., LLC has no affiliates***

### Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- ***Culver Investment Co., LLC does not share with nonaffiliates so they can market to you***

### Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- ***Culver Investment Co., LLC doesn't jointly market***

## Other important information