



## **The Planning Strategies Wrap Program**

147 North Shippen Street  
Lancaster, PA 17602

Telephone: (717) 207-7123  
Facsimile: (717) 295-2580  
[www.visitpsionline.com](http://www.visitpsionline.com)

February 21, 2018

### **Form ADV Part 2A Appendix 1**

This wrap fee brochure provides information about the qualifications and business practices of Planning Strategies, Inc. (hereinafter "PSI"). If you have any questions about the contents of this brochure, please contact please contact Scott Smith at (717) 207-7123. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Planning Strategies, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Planning Strategies, Inc. is a state registered investment adviser. Registration does not imply any level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated January 26, 2017, there are no material changes to report.

### Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Services, Fees, and Compensation	Page 4
Item 5 Account Requirements and Types of Clients	Page 7
Item 6 Portfolio Manager Selection and Evaluation	Page 8
Item 7 Client Information Provided to Portfolio Managers	Page 10
Item 8 Client Contact with Portfolio Managers	Page 10
Item 9 Additional Information	Page 10
Item 10 Requirements for State-Registered Advisers	Page 13

## Item 4 Services, Fees, and Compensation

PSI was founded in September 2001. The firm is principally owned by Steven Mitchell and Scott Smith.

This disclosure brochure describes the business of PSI. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of PSI's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on PSI's behalf and is subject to PSI's supervision or control.

The Planning Strategies Wrap Program (the "Program") is an investment advisory program sponsored by PSI for clients with portfolios above \$200,000. The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges.

To join the Program, a client must:

- Complete the investment advisory wrap fee agreement (the "*Agreement*") with PSI;
- Complete a new account agreement with TD AMERITRADE Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("*TD Ameritrade*") or another broker dealer PSI approves for participation in the Program ("*Financial Institution*"); and
- Open a securities brokerage account with the *Financial Institution* and deposit those assets designated for participation in the Program into the account.

After an analysis of any information provided by the client to PSI, PSI assists the client in developing an appropriate investment strategy for the assets in their accounts. Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with PSI and to keep PSI informed of any changes thereto. PSI contacts ongoing clients at least quarterly to review its previous services and/or recommendations and to determine whether changes should be made to their investment strategy. In addition, clients participating in the Wrap program are offered a financial planning process that analyzes the client's financial needs, investment objectives and time horizon, as well as any other factors relevant to the client's specific financial situation. The creation and annual updating of this plan is included as part of the Wrap program.

### Management of Your Portfolio

All clients in the Program grant PSI either discretionary or non-discretionary authority to buy, sell, and otherwise trade in the type of securities described in Item 6, below for their accounts and to liquidate previously-purchased securities that the client has transferred to their Accounts. Assets are managed by one of PSI's investment adviser representatives.

Neither PSI nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of PSI are not considered an assignment.

### Fees for the Program

Clients in the Program pay a single annualized fee for participation in the Program (the "Program Fee"). The Program Fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by PSI under the Program on the last day of the previous quarter. The Program Fee varies depending upon the market value of the assets under management of the client and the type of investment management services, as follows:

<b>PORTFOLIO VALUE</b>	<b>BASE FEE</b>
\$200,000 to \$499,999	1.50%
\$500,000 to \$999,999	1.25%
\$1,000,000 and above	1.00%

PSI, in its sole discretion, may negotiate to charge a lesser *Program Fee* based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.)

### **Fee Comparison**

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the *Program Fee*. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client's accounts, as well as the commissions that would be charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The *Program Fee* may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

We deduct our fee directly from your account through the qualified custodian holding your funds and securities, then we will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you a fee statement showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to reconcile our fee statement with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our fee statement and the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this brochure.

### **Termination of Advisory Relationship**

You may terminate the wrap fee program agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If termination of Advisory Relationship occurs within the first 90 days following the initial engagement date, any costs incurred to establish or change the account portfolio will be deducted from the pro-rated refund. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at TD Ameritrade, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

## Wrap Fee Program Disclosures

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

## Additional Fees And Expenses

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (or a broker-dealer designated by the Qualified Custodian), and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the Qualified Custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

Certain of PSI's *Supervised Persons*, in their individual capacities, are licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While PSI does not sell such insurance products to its investment advisory clients, PSI does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that PSI recommends the purchase of insurance products where PSI's *Supervised Persons* receive insurance commissions or other additional compensation.

## Brokerage Practices

If you participate in the Program, you will be required to establish an account with TD Ameritrade as discussed above.

If you do not direct our firm to execute transactions through TD Ameritrade, we reserve the right to not accept your account. Not all advisers require their clients to direct brokerage. Since you are required to use TD Ameritrade, we may be unable to achieve the most favorable execution of your transactions.

We believe that TD Ameritrade provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

### **Software and Support Provided by Financial Institutions**

PSI may receive from *TD Ameritrade*, without cost to PSI, computer software and related systems support, which allow PSI to better monitor client accounts maintained at *TD Ameritrade*. PSI may receive the software and related support without cost because PSI renders investment management services to clients that maintain assets at *TD Ameritrade*. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may benefit PSI, but not its clients directly. In fulfilling its duties to its clients, PSI endeavors at all times to put the interests of its clients first. Clients should be aware however, that PSI's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence PSI's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

There is no direct link between PSI's participation in the program and the investment advice it gives to its clients, although PSI receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, PSI may receive the following benefits from *TD Ameritrade* through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. *TD Ameritrade* may also provide PSI with access to mutual funds with no transaction fees and certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to PSI by third party vendors.

These products or services may assist PSI in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help PSI manage and further develop its business enterprise. The benefits received by PSI's participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. Clients should be aware, however, that the receipt of economic benefits by PSI or its related persons in and of itself creates a potential conflict of interest and may indirectly influence PSI's recommendation of *TD Ameritrade* for custody and brokerage services.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

## **Item 5 Account Requirements and Types of Clients**

The Program participants include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Generally, we require a minimum account size of \$200,000 to open and maintain an advisory account with our firm. We may waive or lower this minimum requirement in our sole discretion. We may combine the account values of family members living in the same household to determine the applicable advisory fee.

## Item 6 Portfolio Manager Selection and Evaluation

We are the sponsor and sole portfolio manager for the Program.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### **Methods of Analysis**

PSI's primary method of analysis is Modern Portfolio Theory.

*Modern Portfolio Theory* is a theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. Modern Portfolio Theory seeks to construct an optimal portfolio by considering the relationship between risk and return, especially as measured by alpha, beta, and R-squared. The primary risk in using Modern Portfolio Theory is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that PSI will be able to accurately predict such a reoccurrence.

### **Investment Strategies**

In developing an investment strategy for clients, PSI employs a four-part strategy.

- *Establish Goals and Expectations:* PSI begins the process by meeting with clients, including gathering statements and documents as well as a thorough discussion about the client's needs, goals, and objectives.
- *Analyze and Evaluate:* PSI then analyzes a client's assets and liabilities, cash flow, debt management, investment strategies, risk management, and consideration of any special needs. Perhaps more importantly, it also includes less tangible aspects such as considering clients' risk tolerance, goals, values and priorities.
- *Develop and Implement:* During this phase, PSI prepares a financial plan that is commensurate with clients' values, temperament and risk tolerance. PSI takes the time to carefully review and explain each plan with the client so the client fully understands the overall financial picture. When implementing the plan, PSI often works closely with clients' other financial professionals, including accountants, attorneys, mortgage brokers, and insurance agents.
- *Ongoing Monitoring:* PSI believes that implementation of a financial plan is only the beginning. As relevant tax law changes, economic developments, and personal circumstances change, PSI continues the process of advising and counseling clients.

In developing client portfolios, PSI primarily utilizes mutual funds, but may incorporate other types of securities. PSI tailors its portfolios based on the individual needs of the client, and as such, certain client portfolios may hold additional types of securities.



**Mutual Funds**

An investment in a mutual fund involves risk, including the loss of principal. Mutual funds are subject to secondary market trading risks. Shares of mutual funds are listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a mutual funds' exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the mutual fund may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price that an investor would buy or sell the mutual fund at. The per share NAV of a mutual fund is calculated at the end of each business day, and fluctuates with changes in the market value of the mutual fund's holdings. The trading prices of a mutual fund's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

**Market Risks**

The profitability of a significant portion of PSI's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that PSI will be able to predict those price movements accurately.

**Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

**Risk of Loss**

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

**Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 7 Client Information Provided to Portfolio Managers

As required, in order to provide the Program services, we will provide your private information to your account custodian, TD Ameritrade. We may also provide your private information to mutual fund companies and/or private managers. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

### Privacy Policy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, insurance agencies and insurance companies, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

## Item 8 Client Contact with Portfolio Managers

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account.

## Item 9 Additional Information

### Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

### Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).

3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

### **Code of Ethics**

PSI and persons associated with PSI ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with PSI's policies and procedures.

PSI has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. When PSI is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when PSI is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Unless specifically defined in PSI's procedures (summarized above), neither PSI nor any of PSI's Associated Persons may effect for himself or herself, for an Associated Person's immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of PSI's clients.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither PSI nor any of its *Supervised Persons* (as defined in this Form ADV) has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of PSI's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. PSI will maintain records of these trades, including the reasons for any exceptions.

In accordance with Section 204A of the Advisers Act, PSI also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by PSI or any of its *Supervised Persons*.

Clients and prospective clients may contact PSI to request a copy of its *Code of Ethics*.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Review of Accounts and General Reports**

PSI monitors assets as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* for assets. Participants also receive a report from PSI that may include such relevant account and/or market-related information such as an inventory of account holdings. The frequency clients receive these reports depends on the nature of the relationship with PSI. Clients should compare the account statements they receive from the *Financial Institution* with those they receive from PSI.

### **Client Referrals and Other Compensation**

Planning Strategies may compensate consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If a client were referred to Planning Strategies by a Solicitor, the client would receive a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If an individual becomes a client, the Solicitor that referred such client to Planning Strategies will receive a percentage of the advisory fee paid to Planning Strategies for as long the client remains with Planning, or until such time as the Planning agreement with the Solicitor is terminated. Client will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon client entering into an advisory agreement with Planning Strategies. Therefore, a Solicitor has a financial incentive to recommend Planning Strategies to individuals for advisory services. This creates a conflict of interest; however, individuals are not obligated to retain Planning Strategies for advisory services. Comparable services and/or lower fees may be available through other firms.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with TD Ameritrade.

As disclosed under the "Services, Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to Item 4 above.

### **Block Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

**Financial Information**

We are not required to provide a balance sheet or other financial information to our clients, because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

For accounts custodied at TD Ameritrade, as of April 1, 2014, if a profit results from correcting the trade, you will not retain the profit as all net gains (positive error accounts balances resulting from trade corrections) will be moved to a TD Ameritrade error account and subsequently donated to charity.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.

**Item 10 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.