



**Foundational Retirement Solutions, LLC**  
**A Registered Investment Advisor**

**Firm Brochure**

**Form ADV Part 2A**

**5670 El Camino Real, Suite E**  
**Carlsbad, CA 92008**

**949.359.0023**

**March 1, 2019**

This brochure provides information about the qualifications and business practices of Foundational Retirement Solutions, LLC, a registered investment advisor. If you have any questions about the contents of this brochure, please contact us at 949.359.0023. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Foundational Retirement Solutions, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site by our identifying number known as a CRD number. The CRD number for Foundational Retirement Solutions, LLC is 288564.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training. You are encouraged to review this brochure and brochure supplements for our firm's associates for more information on the qualification of our firm and its employees.

## Item 2: Material Changes

Foundational Retirement Solutions, LLC amends its disclosure brochure on an annual basis. To receive a copy of our most recent brochure at any time during the year, please call Foundational Retirement Solutions, LLC at 949.359.0023, and a copy will be sent to you. You may also obtain a copy of the most current brochure and additional information on our firm from [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) under Investment Adviser Search.

There have not been any material changes since our last filing that took place on December 4, 2018.

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## Item 4: Advisory Business

Foundational Retirement Solutions, LLC (“FRS”) is registered as an investment advisor with the United States Securities and Exchange Commission (referred to in this brochure as “Advisor”). FRS is organized as a limited liability company under the laws of the state of Delaware. The owner of Foundational Retirement Solutions, LLC is William R. Chetney. William R. Chetney is CEO and principal advisor and Jeff Kayajanian is the Chief Compliance Officer.

William Chetney is Founder of GRP Advisor Alliance (“GRPAA”), a firm providing specialized services to more than 200 retirement plan advisors, 25,000 retirement plans, and more than two million participants. The organization brings together many of the nation’s most experienced retirement plan professionals to create programs and services that positively impact the millions of Americans with retirement plans.

Mr. Chetney was President of LPL Financial Retirement Partners, a division of LPL Financial (“LPL”) following its 2010 acquisition of National Retirement Partners (“NRP”), a registered broker dealer and investment advisor. In this role, he was responsible for leading the firm’s retirement business and providing tools, services, and technology solutions to 5,000 participating advisors with 25,000 plans.

Before joining LPL, Mr. Chetney, who has 20 years’ experience in the retirement plan business, was the NRP founder, President, and Chief Executive Officer. He was responsible for the strategic supervision of NRP’s member firms’ network, acquisitions, member firm relationships, and product development. NRP grew from his advisory practice 401(k) Advisors USA, which served institutional clients with over \$1.5 billion in assets.

With our dynamic and experienced team, FRS provides the following investment advisory and management services to individuals, pension and profit sharing plans, trusts, corporations and other business entities:

### I. Manager Selection

FRS or affiliated Investment Advisory Representative (“IAR”) primarily provides these investment management services as a sub- advisor to certain pooled investment vehicles. Such pooled investment vehicles are typically organized as collective investment trusts (each, a “Trust”) by an unaffiliated third-party trustee (“Trustee”). The Trustee can establish different funds with differing investment objectives (each, a “Fund”) and to appoint an investment adviser with respect to the Funds. Where applicable, the Trustee hires and appoints Advisor to assist in implementing the glidepath models for the Funds, as provided by other unaffiliated investment adviser(s), and to manage the Funds in accordance with the established investment objectives.

In addition, the Advisor provides investment advice by allocating assets to other third-party investment advisers and managers and the selection, termination, monitoring and review of such advisers and managers.

Sponsors of certain qualified retirement plans (each, a “Plan”) invest assets of the Plan into the Funds. The Plan is a qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

Each pooled investment vehicle is managed in accordance with its investment objectives, guidelines and restrictions and is not tailored to the individualized needs of any particular Plan, Fund shareholder or Fund investor, and an investment in such a vehicle does not, in and of itself, create an advisory relationship between the shareholder or investor and the Advisor.

The Advisor may employ many different calculations, processes, and screening techniques to arrive at specific manager allocations for the Funds within the array of managers and investments being analyzed and considered. The Advisor may also retain third-party firms to provide additional information, tools, and insights to meet their obligations.

#### **Assets Under Management/Advisement**

As of December 31, 2018, FRS advises \$0.00 on a discretionary basis and \$130,000,000.00 on a non-discretionary basis.

FRS does not participate in wrap fee programs.

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

The following is a description of how we are compensated for the advisory services that we provide to our clients:

#### **I. Manager Selection**

Advisor's actual advisory fees, minimum fees and minimum account sizes may be negotiated and may vary from the schedules below due to a variety of factors, including the circumstances of a client, specific investment strategies mandated by a client, account size, and/or as otherwise may be agreed with specific clients. As a result, Advisor may offer certain clients lower fees than other clients. The Advisor's fees for services to the Funds generally are:

<b>General Investment Strategy Categories</b>	<b>Annual Advisory Fee Rates</b>
Target Date Funds	0.00% – 0.15%
Multi DCIO Funds	0.00% – 0.15%
Individual Mandate Funds	0.00% – 0.10%
Index Funds	0.00% – 0.10%

The specific fees that Advisor charges a separate account client will be set forth in the client's written investment management agreement with Advisor. Advisor generally bills its advisory fees on a quarterly basis in advance unless otherwise agreed to with a client. Clients also may be billed directly for fees or authorize Advisor to directly debit fees from client accounts.

Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee. Upon termination of any account, any earned, unpaid fees will be due and payable. Any fees paid in advance but are unearned shall be returned to the client pro-rated to the date of termination.

## II. Other Fees

Advisor may invest assets with other managers and advisers, and in other collective investment funds, including mutual funds, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the managers and providers of these products in addition to the service fees paid to the Advisor. The fees and expenses charged are separate and distinct from the management fee charged by the Advisor. These fees and expenses are described in each fund's prospectus or offering memorandum. These fees will generally include a management fee, other fund expenses and a possible distribution fee.

Accordingly, the client should review both the fees charged by the funds and the applicable fee charged by the Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

## III. Retirement Plan Consulting and Direct Asset Management Fees

Assets Under Management	Maximum Annual Fee
\$1,000,000 or Under	2.0%
\$1,000,001 to \$2,000,000	1.50%
Over \$2,000,001	1.00%

Fees may be paid on a monthly or quarterly basis, to be determined by FRS and its clients. The following will apply to clients who are billed monthly:

For clients that pay FRS for services in monthly installments, fees will be payable within 45 days after the end of the calendar month. If the fee structure is based upon a percentage of the Plan's assets, monthly fees will be calculated based upon the average net assets in each investment option for the calendar month.

For clients that are billed on a quarterly basis, fees will be calculated based upon the ending market value of the plan assets as of the last day of the prior quarter. Clients may authorize the investment provider or custodian to pay compensation directly to FRS by deducting the advisory fee directly from the client's account. As part of this process, the client understands and acknowledges the following:

- The independent custodian sends statements at least quarterly to the client reflecting the market values for each security included in the assets and all disbursements in the client's account including the amount of the advisory fees paid to FRS;
- The client provides authorization permitting FRS to be directly paid by these terms;
- The invoice includes a legend that urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client.

Accounts held at other custodians may be billed in advance or in arrears, depending upon the agreement between the client, FRS and the custodian. For clients who choose to be billed in

advance, if the client wishes to terminate our services, we will refund the unearned portion of our advisory fee to the client. Clients will be required to contact us in writing in order to terminate our services. Upon receipt of a client's letter of termination, we will proceed to close out or remove our access to the client's account and process a pro-rated refund of unearned advisory fees.

#### **IV. Hourly and Fixed Fee Consulting Services**

Generally, our hourly fee for Consulting Services will not exceed \$350. The fee range will be \$100 to \$500 per hour. In the case of fixed fee, payment for services will be according to individual circumstance.

FRS and its supervised person do not accept compensation for the sale of securities or other investment products, including asset based charges or service fees from the sale of mutual funds.

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

FRS does not charge fees based on a share of capital gains or on capital appreciation of the assets of a client and therefore does not simultaneously manage performance based and non-performance based accounts.

### **Item 7: Types of Clients**

We have the following types of clients:

- Institutional clients such as pooled investment vehicles, pension and profit sharing plans, trusts, estates, corporations and other business entities;
- Corporations, Limited Liability Companies and/or Other Business Types

FRS does not impose a minimum account size to open or maintain an account.

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

The Advisor primarily uses fundamental analysis with limited technical analysis in evaluating other managers and advisors for its services. The primary investment strategies utilized are passive (index) and actively managed by asset allocation through other managers and collective investment funds. Managers and collective Funds utilized are diversified to minimize the risk associated with the capital markets. The Advisor's strategies do not involve frequent trading.

The following details the types of analysis IARs use to formulate recommendations:

- Fundamental Analysis: Advisor attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to

anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

- **Charting:** In this type of technical analysis, Advisor reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when and how long the trend may last and when that trend might reverse. This presents a potential risk as past results do not correlate to future performance.
- **Technical Analysis:** Advisor analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.
- **Cyclical Analysis:** In this type of technical analysis, Advisor measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security. This presents a potential risk as past results do not correlate to future performance.
- **Mutual Fund and/or ETF Analysis:** Advisor reviews the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. IARs also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is a significant overlap in the underlying investments held in other funds in the client's portfolio. A risk of mutual fund and/or ETF analysis is that, as with all securities investments, past performance does not guarantee future results.

#### **Risks for all forms of analysis**

The FRS securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, provide accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

For ERISA qualified plans in which participants direct the investments in their accounts, FRS seeks to ensure that the plan complies with the ERISA 404(c) requirement for the "broad array" of investment options to enable participants to develop a diversified portfolio.

Any investment or investment strategy involves some risk of loss a client should be prepared to bear. Examples may include:

Interest-rate Risk	Fluctuations in interest rates may cause investment values to fluctuate. For example, market values of bonds typically decline when interest rates rise, because the rising rate makes the existing bond yields less attractive.
Market Risk	External factors independent of a security's particular underlying circumstances may impact its value. The value of a security, bond or mutual fund may drop in



	reaction to tangible and intangible events and conditions, such as a political or social event or an economic condition.
Inflation Risk	Inflation means a dollar today may buy more than a dollar next year. When inflation is present, purchasing power typically decreases as the rate of inflation increases.
Currency Risk	Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Also known as exchange rate risk, these risks may be present in international mutual funds for example.
Reinvestment Risk	The risk that future proceeds from investments may be reinvested at a potentially lower rate of return is reinvestment risk. This risk primarily relates to fixed income securities.
Business Risk	Risks associated with a particular industry or a specific company may impact the value of investments.
Liquidity Risk	Liquidity means the ability to readily convert an investment into cash. Assets with many purchasers are generally more liquid. For example, Treasury Bills are highly liquid, while real estate properties are less so.
Financial Risk	A company with excessive borrowing or that takes significant business risks to generate profit is typically at a greater risk of financial difficulty or failure.
Accuracy of Public Information	The Advisor selects other managers and investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Advisor by the issuers or through sources other than the issuers. Although the Advisor evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Advisor is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.
Investments in Non-U.S. Investments	<p>From time to time, the Advisor may provide investment advice in non-U.S. securities and other assets (through other managers, mutual funds and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include: political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets. Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.</p> <p>Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Advisor may provide advice on foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the client's asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the client's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the client's foreign currency holdings. If the client enters into forward foreign</p>

	<p>currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the client enters forward contracts for the purpose of increasing return, it may sustain losses.</p> <p>Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.</p>
Other Investment Manager and Fund of Funds Risk	<p>The investment performance of a portfolio that is managed by another investment adviser, or included within a fund-of-funds is affected by the investment performance of the underlying securities and funds which the manager chooses or in which the portfolio invests. The ability to achieve the investment objective depends on the ability of the chosen manager or underlying funds, as applicable, to meet their investment objectives and on Advisor's decisions regarding the allocation of assets among the underlying managers and funds. The chosen manager or portfolio may allocate assets to an underlying fund or asset class that underperforms other funds or asset classes. There can be no assurance that the investment objective of the manager, portfolio or any underlying fund will be achieved. When a manager or the portfolio invests in underlying funds, investors are exposed to a proportionate share of the expenses of those underlying investments in addition to the expenses of manager or the portfolio. Through its investments in underlying funds, the portfolio is subject to the risks of the underlying funds' investments.</p>

For a client investing in a collective investment fund, like the Funds, please also carefully review the fund's prospectus, offering document or Trust agreement, as applicable, and any corresponding investment management agreement for additional information on investment strategies and risks. Investing in securities involves a risk of loss that clients should be prepared to bear.

### Item 9: Disciplinary Information

Neither Advisor nor its employees have been the subject of any disciplinary actions.

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

William R. Chetney is the Advisor and a control owner of FRS.

William R. Chetney is an independently licensed insurance agent. FRS does not offer insurance products. FRS clients do not have an obligation to purchase insurance products through William R. Chetney.

William R. Chetney is the control owner of GRPAA, an association of retirement plan focused advisors. The participating advisors pay annual dues to participate in the group as well as the services provided. These services include study groups, conferences, financial wellness and business support. The services provided by GRPA do not carry over to FRS. GRPAA members do not have an obligation to obtain services from FRS.

FRS may engage the services of third-party consultants, including, but not limited to, Envestnet Retirement Solutions ("ERS") for quantitative and qualitative investment expertise and glide path. The services that the third party consultants provide are to support delivery of FRS services. FRS clients do not incur additional expense related to the services that third parties provide to FRS. FRS clients are not obligated to obtain services from the third party vendors that FRS utilizes.

FRS and its management are not registered, nor is an application pending to register, as a broker dealer or a registered representative of a broker dealer.

FRS and its management are not registered, nor is an application pending to register, as a futures commission merchant, commodity pool operator, or commodity trading advisor, or an associated person of the foregoing entities.

FRS does not select ERS. The trustee of the collective investment trusts selects FRS and ERS.

FRS does not recommend or select other investment advisors and therefore does not receive compensation, directly or indirectly from that source.

FRS will ensure that before selecting other advisors, the other advisors are properly licensed or registered as an investment advisor.

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

- A. FRS has established a Code of Ethics which applies to all associated IARs. An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. FRS has a fiduciary duty to all clients. FRS' fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. FRS requires all IARs to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all IARs will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. FRS and IARs must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.
- B. If FRS or an IAR recommends to clients, or buys or sells for client accounts, securities in which FRS or an IAR has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), FRS must describe its practice and discuss the conflicts of interest it may present.

Neither FRS nor a related person recommends to clients, or buys or sells for client accounts, securities in which we or an IAR has a material financial interest.

- C. If FRS or an IAR invests in the same securities (or related securities, e.g., warrants, options or

futures) that FRS or an IAR recommends to clients, FRS is required to describe its practice and discuss the conflicts of interest this may present and generally how FRS addresses the conflicts that may arise in connection with personal trading.

IARs may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, IARs will place client interests ahead of our own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

- D. If FRS or an IAR recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that client or an IAR buys or sells the same securities for FRS' (or the related person's own) account, FRS is required to describe its practice and discuss the conflicts of interest it may present. We are also required to describe generally how we address conflicts that arise.

IARs may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this potential conflict of interest, FRS' related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

## Item 12: Brokerage Practices

In consideration of the FRS' business model, this section is nonapplicable as FRS will not maintain relationships with custodial broker dealers.

12A(1): Research and Other Soft Dollar Benefits: FRS does not maintain relationships with custodial broker dealers and therefore does not engage in research and other soft dollar benefits.

12A(2): Brokerage for Client Referrals: FRS does not maintain relationships with custodial broker dealers and therefore does not engage in brokerage for client referrals.

12A(3): Directed Brokerage: FRS does not maintain relationships with custodial broker dealers and therefore does not engage in directed brokerage activity.

12B: Aggregation of Trades: FRS does not maintain relationships with custodial broker dealers and therefore does not engage in trade aggregation.

## 13: Review of Accounts

Advisor reviews accounts, as applicable, on an annual basis. Reviewers may include members of the portfolio management team, including Jeff Kayajanian, (the Chief Compliance Officer) or his designee. Reviews of an account occur at differing frequencies and for differing purposes depending on the type of client and account. All reviews use the similar factors and comprehensive criteria such as, but not limited to overall market changes and changes in the investment objectives. Reviews will be evidenced in writing.

FRS will have a single client, the trustee of the collective investment trusts. FRS will conduct an annual written review.

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

FRS does **not** engage in activity with non-clients to gain economic benefits including sales awards or other prizes.

#### **Item 15: Custody**

Advisor does not have custody of client assets. All assets in client's account shall be held for safekeeping with a designated custodian as selected by the client. Advisor shall not act as custodian for any assets in the client's account and shall not take possession of cash and/or securities of the Client's account. Advisor shall not be liable to Client for any act, conduct or omission by custodian. Clients will receive account statements from the broker-dealer, bank or other qualified custodian. Clients should carefully review those statements.

#### **Item 16: Investment Discretion**

Investment discretion will be exercised in a manner consistent with the stated investment objectives for the client. When selecting securities and determining amounts, or other managers to perform such services, Advisor observes the investment policies, limitations, and restrictions of the clients for which it advises. Advisor retains investment discretion when providing investment management services as a sub-advisor to pooled investment vehicles, like the Funds. FRS will properly secure the client's permission prior to effecting securities transactions in client accounts managed on a non-discretionary basis pursuant to Securities & Exchange Commission regulations.

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

Advisor does not vote proxies.

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

As an investment advisory firm that maintains discretionary authority, FRS is required to disclose any financial condition that would be likely to impair the ability to meet FRS' contractual and fiduciary obligations to clients. FRS does not exercise discretionary authority in client accounts. FRS has no such financial conditions to report. FRS is not and has not been the subject of a bankruptcy proceeding. FRS

will not require or solicit prepayment of form than \$1,200.00 in fees per client, six months or more in advance.

### **FRS Privacy Policy**

We recognize our obligation to keep information about you secure and confidential. It's important for you to know that we do not sell your information to anyone. We restrict access to non-public personal information about you to those IARs and employees who need to know that information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards to guard your non-public personal information.

### **FRS Business Continuity Plan**

In accordance with regulatory requirements FRS maintains a Business Continuity Plan that describes what steps will be taken to ensure the continuity of our business operation in the event of an unanticipated disaster. The plan has been designed with procedures to ensure that client documentation will be accessible and that contact between FRS and its clients will be sustained. If you would like to receive a copy of the FRS Business Continuity Plan please contact our office.

FRS will not solicit prepayment of more than \$500 in fees per client, six months or more in advance.

### **Item 19: Requirements for State-Registered Advisers**

- (A) The principal executive officer is William Chetney. His business background and formal education is described in William Chetney's ADV 2B
- (B) FRS is not engaged in any additional business activities. Additional business activities for FRS officers and advisors is described in their individual ADV 2B.
- (C) FRS and supervised persons are not compensated for advisory services with performance based fees.
- (D) FRS and its management have not been involved in an award or found liable in an arbitration claim alleging damages in excess of \$2500.00 or found liable in any civil, self-regulatory organization, or administrative proceedings.

FRS and its management do not have any relationship or arrangement with any issuer of securities.

FRS does not have any material conflicts of interest.