



**My Legacy Advisors, LLC  
d/b/a  
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**May 3, 2019**

**FORM ADV PART 2A  
BROCHURE**

This Disclosure Brochure provides information about the qualifications and business practices of Munkeby Kramer. If you have any questions about the contents of this Disclosure Brochure, please contact us at 952-474-6933. The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Munkeby Kramer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Munkeby Kramer is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of 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 the last annual updating amendment filing dated March 15, 2018 we have amended to brochure to disclose the following material change:

- We amended this Disclosure Brochure to disclose a conflict of interest associated with a forgivable loan involving owners of our firm. Please refer to Item 14 (Client Referrals and Other Compensation) of this Disclosure Brochure for more information.

If you have any questions about this disclosure, please contact Michael DeRosa, Chief Compliance Officer, at 952-474-6933.

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## Item 4 Advisory Business

### Description of Firm

My Legacy Advisors, LLC dba Munkeby Kramer is a registered investment adviser based in Hopkins, Minnesota and Bend, Oregon. We are organized as a limited liability company ("LLC") under the laws of the State of Minnesota, and we have been providing investment advisory services since 2017. Our firm is directly owned by: Munkeby Financial, Inc. (owned by Eric J. Munkeby and Kenneth J. Kramer); and, Eagle Wealth Management, Inc. (owned by Chad E. Staskal and Cambrianne Staskal).

As used in this Disclosure Brochure, the words "we," "our," and "us" refer to Munkeby Kramer and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person in this Disclosure Brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Portfolio Management Services

We offer portfolio management services on a discretionary basis where our investment advice is tailored to meet our clients' individual needs and investment objectives. These services include an initial consultation along with follow up consultations, as may be agreed, to discuss your unique investment objectives, time horizon, risk tolerance, tax circumstances, and various other financial factors. We will ask that you complete certain investor questionnaires, onboarding forms, and other documents to assist us in gathering information about your financial needs and circumstances.

Based on our evaluation of the foregoing factors, we will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. Once we establish an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and/or in your financial circumstances.

As part of our portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Please see Item 16 (*Investment Discretionary* section) of this Disclosure Brochure for more information on discretionary authority.

### SEI

Our discretionary portfolio management services are provided to you primarily, but not exclusively, through the investment management platform sponsored by SEI Investments Management Corporation, and its affiliates, SEI Private Trust Company and SEI Global Services, Inc. (collectively, "SEI"). Our agreement with SEI allows us to offer SEI's "Mutual Fund Models Program," "Managed Account Program," and "Custody-Only Program" to you (collectively, the "SEI Programs"), bundled together with SEI's custodial and execution services. Our arrangement with SEI further provides us with a variety of account, performance, due diligence, research and risk management tools and administrative services that allow us to more efficiently deliver advisory services to you. A summary description of the SEI Programs is as follows:

**Mutual Fund Models Program:** Under this program, we act as the sole adviser to your account. SEI makes available to us a selection of asset allocation models, the underlying investments of which are generally comprised entirely of mutual funds that are managed by SEI (the "Mutual Fund Allocation Models"). The Mutual Fund Allocation Models are designed (and periodically updated) by SEI to meet with a stated investment objective or goal (i.e., defensive, short-term, moderate, market growth, core, aggressive, etc.). When you participate in this program, we select an initial Mutual Fund Allocation Model (or Models) in which to invest your assets based

upon our evaluation of your particular investment needs and circumstances. SEI may make recommendations to us as to the acceptable range of "drift" from the pre-determined asset allocation model(s) prior to recommending that we rebalance your portfolio back to the model's stated allocation percentages. SEI will further advise us of any changes to the selected Mutual Fund Allocation Model(s) used in your account. We will reallocate your assets to different Mutual Fund Allocation Models as we deem appropriate, in accordance with the terms of our written advisory agreement with you.

**Managed Account Program:** Under this program, SEI acts a co-investment adviser with our firm pursuant to a tri-party investment management agreement executed among SEI, our firm, and you. The Managed Account Program is subject to a wrap fee in which a single fee paid to SEI covers the costs of SEI's bundled advisory, brokerage and custody services in connection with your account. SEI makes available to us a selection of managed account portfolios (the "Managed Account Portfolios") designed to be invested in accordance with a stated investment objective or goal (i.e., conservative, moderate, market growth, aggressive, large cap growth, alternative, etc.). The underlying investments in each Managed Account Portfolio are managed directly by SEI and/or by various third party money managers who have entered into sub-advisory agreements with SEI. When you participate in this program, we will select a particular managed account investment strategy (or strategies) in which to invest your assets based upon our evaluation of your particular investment needs and circumstances. The selected investment strategy (or strategies) is an allocation of designated portfolios of separate securities managed by SEI and/or the selected third party money managers. SEI is typically responsible for screening, reviewing, monitoring, and selecting the various third party money managers (and/or individual mutual funds and/or other assets, which may include securities and alternative investments) available for selection by us. We will reallocate your assets to different Managed Account Portfolios as we deem appropriate, and in accordance with the terms of our written advisory agreement with you.

**Custody-Only Program:** In addition to the investment programs noted above, we may recommend to you a fully customized portfolio consisting of SEI managed mutual funds and managed account programs offered through SEI's platform (which do not conform with any of SEI's Mutual Fund Allocation Models or Managed Account Portfolios), non-SEI managed mutual funds, and other securities. SEI does not provide any model allocations or recommended rebalancing guidelines with respect to accounts managed under this program. We will allocate your assets to different mutual funds, managed account programs, and other securities as we deem appropriate, in accordance with the terms of our written advisory agreement with you. Under this program, our firm is typically responsible for screening, reviewing, monitoring, and selecting the various third party money managers (and/or individual mutual funds and/or other assets, which may include securities and alternative investments). We will reallocate your assets to different Managed Account Portfolios as we deem appropriate, in accordance with the terms of our written advisory agreement with you.

We recommend that you carefully review SEI's Form ADV Part 2 ("Firm Brochure") for a complete description of each of the SEI Programs. In addition to our ongoing monitoring of your assets held at SEI, we will assist you in completing the necessary paperwork and agreements required by SEI for participation in the SEI Programs; provide ongoing services and support; update SEI regarding any changes in your financial circumstances as necessary; review monthly and/or quarterly statements provided by SEI; and, deliver SEI's privacy notice and Firm Brochure (and/or that of any underlying sub-advisers, as required) to you.

### American Funds

For clients with lower account balances, typically \$50,000 and less, we provide discretionary portfolio management services through an investment advisory program offered by American Funds whereby clients may invest in Class F-2 shares of the American Funds, which have no 12b-1 fees.

### **Financial Planning and Consulting Services**

We also offer financial planning and consulting services that generally include broad-based planning and general consulting. These services typically involve a variety of advisory services regarding the management of the client's financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning and consulting services, we will meet with you to gather information about your financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. Once such information has been reviewed and analyzed, we will provide you with our financial planning and/or consulting recommendations designed to help you achieve your stated financial goals and objectives. Our financial planning services generally include, but are not limited to:

- Income Analysis/Cash Flow/Budget Analysis
- Investment Analysis/Asset Allocation/Investment Planning
- Education Funding Analysis/Planning
- Retirement Needs Analysis/Planning
- Retirement Plan Review
- Debt Management
- Life Insurance Review/Analysis
- Long Term Care Review/Analysis
- Disability Insurance Review/Analysis
- Estate Analysis/Estate Planning Service
- Charitable Giving
- Employee Benefit Analysis
- Portfolio Monitoring
- Business Planning

Financial recommendations are based on your financial situation at the time we provide our recommendations, and on the financial information you provide to our firm. You have the right to accept or reject our financial recommendations, and you may choose any firm to assist you with implementing our recommendations.

### **Types of Investments**

We primarily offer advice on equities securities, bonds, mutual funds, and/or exchange traded funds. Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

### **Assets Under Management**

As of December 31, 2018, we provide continuous management services for \$237,148,675 in clients' assets on a discretionary basis, and \$1,357,448 in clients' assets on a non-continuous basis.

## Item 5 Fees and Compensation

### Portfolio Management Services

#### SEI

Our annual fee is based on a percentage of assets under management as set forth in the following tiered fee schedule:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
\$0 - \$1,000,000	2.00%
\$1,000,001 - \$4,999,999	1.50%
Over \$5,000,000	1.00%

This fee schedule is a non-blended tiered fee scheduled, which means that your total assets under management will determine the annual fee break point and corresponding fee that you will pay.

As noted above under Item 4 of this Disclosure Brochure, you will also pay a fee to SEI. Please refer to the SEI account application and Agreement on fees imposed by SEI.

#### American Funds

Our annual fee for these managed accounts is also based on a percentage of assets under management, and this annual fee may range up to 1.00% of assets under management.

#### Fees Payment & Termination

Our annual fee for portfolio management services is typically billed in quarterly installments, in arrears, based on the average daily balance of your account during the billing period. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. In certain circumstances, we may agree to negotiate other fee-paying arrangements.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, and you should review all statements for accuracy. If you have any questions about the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Disclosure Brochure.

### Financial Planning and Consulting Services

We offer financial planning services on either an hourly basis or fixed fee basis. Our hourly fee is \$95 and \$295 for services performed by administrative staff and Investment Adviser Representatives of our firm, respectively. Our fixed fees range from \$500 to \$7,500. Generally, our hourly fee is billed for

consulting services and our fixed fees are billed for broad-based or project-based financial planning. In limited circumstances, we may negotiate a fee above our maximum \$7,500 fixed fee where the client requires services beyond the scope of our general financial planning services.

Our financial planning fees - both hourly and fixed fees - are negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. Our hourly fees are generally due upon completion of services rendered. For our fixed fees, however, we require that you pay 50% of the fee in advance with the remaining portion due upon completion of services rendered. In our sole discretion, we may negotiate other fee-paying arrangements.

We also offer annual, ongoing financial planning services for a monthly fixed fee ranging from monthly fee \$75 to \$250. Our ongoing financial planning services may include, but not limited to: ongoing consulting regarding your financial plan; quarterly and/or annual reviews; and updates to your financial plan. In the event you submit written notice to our firm terminating our ongoing financial planning services, we will issue a refund of any advanced payment based on the number of days within the month for which you were a client.

Our fee is payable as invoiced, or you may authorize us to deduct our financial planning and consulting fee from a managed account at a qualified custodian for which we provide portfolio management services. You may terminate the agreement by providing our firm with written notice. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If advanced fee paying arrangements are negotiated and we have received pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory 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. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. 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. For information on our brokerage practices, please refer to Item 12 (*Brokerage Practices* section) of this Disclosure Brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Our firm's Investment Adviser Representatives may be registered representatives with United Planners' Financial Services of America ("United Planners"), a securities broker-dealer, and member FINRA/SIPC. In their separate capacity as a registered representative, such Investment Adviser Representatives may receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Additionally, certain Investment Adviser Representatives of our firm may also be licensed as independent insurance agents, and may earn commission-based compensation for selling insurance products to you.

Compensation earned by these persons in their separate capacities as registered representatives and/or licensed insurance agents is separate and in addition to our advisory fees. These practices present a conflict of interest because Investment Adviser Representatives of our firm who are registered representatives and/or licensed insurance agents may have a financial incentive to effect



securities transactions on your behalf and/or sell insurance products to you. Clients are under no obligation, contractually or otherwise, to purchase securities and/or insurance products through any person affiliated with our firm.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section 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.

## **Item 7 Types of Clients**

We typically offer investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, charitable organizations and corporations or other businesses.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we reserve the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively. In instances where we use a third party asset manager, such as SEI, that imposes a minimum account size, we will disclose such requirements to you.

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

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Technical Analysis - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

*Risk:* The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

*Risk:* The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory (MPT) - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

*Risk:* Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Risk:* Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

*Risk:* Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

*Risk:* If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Option Writing - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

*Risk:* Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

## **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 generally 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, custodians and broker-dealers must report the cost basis of equities acquired in client accounts. 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, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. 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 risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of

the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

### **Recommendation of Particular Types of Securities**

We primarily offer advice on equities securities, bonds, mutual funds, and/or exchange traded funds. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Stocks (equities securities): There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETFs") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares that trade between investors in the secondary market.

## **Item 9 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.

## Item 10 Other Financial Industry Activities and Affiliations

### Registration with Broker-Dealer

Investment Adviser Representatives of our firm may be registered representatives with United Planners' Financial Services of America ("United Planners"), a securities broker-dealer, and member FINRA/SIPC. These persons will earn commission-based compensation for executing securities transactions on your behalf in their separate capacity as registered representatives of United Planners.

### Licensed Insurance Agents

Investment Adviser Representatives of our firm may also be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, and such compensation is separate from our advisory fees.

### Recommendation of Other Advisers

As described in Item 4 (*Advisory Business* section) of this Disclosure Brochure, our discretionary portfolio management services are provided to you primarily through an arrangement with SEI. Our arrangement with SEI provides us with a variety of account, performance, due diligence, research and risk management tools and administrative services which allow us to more efficiently deliver advisory services to you. We do not receive separate compensation, directly or indirectly, from SEI in connection with this arrangement.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Brochure.

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

Neither our firm nor any persons associated with our firm 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. Additionally, these associated persons may or may not have similar investment objectives as our clients. A conflict of interest exists in such cases because we may 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.

## Item 12 Brokerage Practices

### Brokerage Recommendations

As part of our arrangement with SEI, we typically recommend the brokerage and custodial services of SEI Private Trust Company (whether one or more, the "Custodian"), a wholly-owned subsidiary of SEI Investments Corporation. In certain instances, we may recommend another qualified, independent broker-dealer / custodian if appropriate for the client's individual circumstances. In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and, generally, the Securities Investor Protection Corporation ("SIPC"). We believe that the recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### 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.

### Research and Other Soft Dollar Benefits

As a registered investment adviser, we may have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the service platforms of these firms, and are *not* considered to have been paid with soft dollars. The receipt of such products and/or services creates a conflict of interest since our firm may benefit from such products and/or services. In efforts to mitigate this conflict, it is our firm's policy to act in our clients' best interest, and to use these products and/or services for the benefit of all our clients to the extent possible. Clients should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### Directed Brokerage

Some clients may instruct our firm in writing to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, and we choose to accept your request, you will negotiate terms and arrangements for your account with the broker-dealer/custodian. We will not be responsible for ensuring best execution services or prices from other broker-dealers or be able to aggregate trades with other client accounts (as described below at *Block Trades*). As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. Subject to our duty to obtain best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### 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. Accounts owned by our firm or persons associated with our firm will not participate in block trading with your accounts. To the extent we combine multiple orders (block trade), we will only do so for accounts managed on a discretionary basis.

### **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, and the internal policies of the client's acting Custodian, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

## **Item 13 Review of Accounts**

### **Portfolio Management Services**

The Investment Adviser Representative assigned to your account will be responsible for monitoring your accounts on an ongoing basis and will conduct account reviews at least annually to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives.

Clients will receive trade confirmations and at least quarterly statements from their account custodian. Upon client request and at our discretion, we may also provide performance reports.

### **Financial Planning and Consulting Services**

For those clients whom we provide personal financial planning services, reviews are conducted on an as needed basis. If you engage us for financial planning services, the Investment Adviser Representative of our firm that is assigned to your account will review your financial plan or current circumstances as needed, depending on the arrangements made with you at the inception of your advisory relationship. Generally, we will contact existing clients periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to: marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. While we recommend meeting with you at least annually, additional reviews will be conducted upon your request. Such reviews and updates will generally be subject to a new and separate engagement. To the extent we provide any written reports, such reports and/or financial plans will be rendered as part of the negotiated services.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to Item 10 (*Other Financial Industry Activities and Affiliations* section) of this Disclosure Brochure for more information on outside business activities involving our firm's Investment Adviser Representatives where such persons might receive additional compensation beyond our advisory fees. In addition, please refer to Item 12 (*Brokerage Practices* section) of this Disclosure Brochure for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian(s).



Our firm, through its owners that are also registered representatives of United Planners Financial Services ("UP"), has received financial transition support from UP in the form of a loan that may be forgiven over time depending on the length of their tenure with UP ("Transition Assistance"). This loan may be used for, but not necessarily limited to, offsetting costs such as ACAT fees, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees. Because of this economic benefit, our firm and associated persons have a conflict of interest in recommending to clients that they use UP for broker-dealer related services. In efforts to mitigate this conflict of interest, any recommendations to use UP for broker-dealer services will only be made if in the best interest of each individual client.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities as your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy, and contact us immediately if you have any questions.

## **Item 16 Investment Discretion**

If you enter into discretionary arrangements with our firm, you must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) before we can buy or sell securities on your behalf. Discretionary authority enables our firm to execute transactions within your account without obtaining your consent or approval prior to each transaction. Additionally, we may also use one or more sub-advisers to manage a portion of your account on a discretionary basis. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s).

## **Item 17 Voting Client Securities**

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 solicitations to vote proxies.

## **Item 18 Financial Information**

The following are disclosures required by the Form ADV Instructions:

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more



than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this Disclosure Brochure. We have not filed a bankruptcy petition at any time in the past ten years.

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

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

## **Item 20 Additional Information**

### **Your Privacy**

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 non-public personal information about you to any non-affiliated 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, accountants, consultants, and attorneys.

We restrict internal access to non-public 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 non-public 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. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies, please contact our main office and ask to speak to the Chief Compliance Officer.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or 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 for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

## IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower

capital gains tax rate.

10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative.