

**Item 1 – Cover Page**

**Bazis & Young Investment Group LLC**

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This brochure provides information about the qualifications and business practices of Bazis & Young Investment Group LLC. If you have any questions about the contents of this brochure, please contact Duane R. Bazis Jr. at (402) 965-3334. 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 Bazis & Young Investment Group LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view firm information on this website by searching for Bazis & Young Investment Group LLC's name or by searching using the firm's CRD number: 148605.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last annual amendment was filed in March 2018, there have been no material changes made to this brochure.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31, so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

Bazis & Young Investment Group LLC (“Advisor” or “we”) is a registered investment advisor with the U.S. Securities and Exchange Commission. It is a limited liability company formed under the laws of the State of Nebraska and solely owned by Duane R. Bazis.

### **General Description of Primary Advisory Services**

We offer personalized advisory services including financial planning and asset management services. The following are brief descriptions of our primary services. A detailed description of our services is provided in **Item 5 – Fees and Compensation** so that clients and prospective clients (“clients” or “you”) can review the services and description of fees.

### **Private Portfolio Management Program (PPM) Services**

Advisor offers asset management services, which involves Advisor providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public

information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

### **Bazis Private Wealth Management Program (PWM)**

For clients with at least \$5 Million in assets under management with our firm we offer the Private Wealth Management Program, an exclusive program that bundles our Asset Management services with our Financial Planning and Consulting services.

Qualified clients will receive:

- Full financial plan, with retirement cash flow, asset allocation, estate planning review, life insurance evaluation, retirement plan analysis, executive stock option review, tax advantaged strategies, 529 college saving plans, charitable giving, legacy planning, balance sheet/lending strategies, trust accounts and administrative guidance, and the capability to do financial modeling using sophisticated Monte Carlo simulation and "what if" scenarios.
- Access to a customized, secure, personal, and private website to aggregate and analyze performance of assets relative to your financial plan, regardless of where they are located. This enables clients the convenience of one sign-on showing the value of all networked assets in one place; including: 401k, IRA, bank accounts, loans, real estate values, and business values.
- Ability to upload and store documents securely.
- Attorney and CPA can have viewing access to help coordinate your family planning.
- Access to alternative investments including Hedge Funds, and Private Equity Funds.
- Private Portfolio Management; using either discretion or non-discretion.

### **Financial Planning & Consulting Services**

Advisor offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: Investment Planning, Retirement Planning, Insurance Planning, Tax Planning, Education Planning, and Portfolios Review. When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. Written financial plans prepared by us do not include specific recommendations of individual securities.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment

recommendations through Advisor or retain Advisor to actively monitor and manage your investments, you must execute a separate written agreement with Advisor for our asset management services.

### **Retirement Plan Services**

Advisor offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

#### **Fiduciary Consulting Services**

Advisor provides the following Fiduciary Retirement Plan Consulting Services:

- **Non-Discretionary Investment Advice.** Advisor will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- **Investment Selection Services.** Advisor will provide you with recommendations of investment options consistent with ERISA section 404(c).
- **Individualized Participant Advice.** Upon request, Advisor will provide one-on-one advice to Plan participants regarding their individual situations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by me is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and Advisor does not serve as administrator or trustee of the plan. Advisor does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

Advisor acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. Advisor will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause Advisor to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, Advisor (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

#### **Fiduciary Management Services**

Advisor provides clients with the following Fiduciary Retirement Plan Management Services:

- Discretionary Management Services. Advisor will provide the Plan and Plan Participants with continuous and ongoing supervision over the designated retirement plan assets. Advisor will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. Advisor has discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with you. Advisor also has the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.
- Discretionary Investment Selection Services. Advisor will monitor the investment options of the Plan and add or remove investment options for the Plan. Advisor will have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.

If you elect to utilize any of Advisor's Fiduciary Management Services, then Advisor will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and Advisor hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

#### Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

Advisor provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Qualified Plan Development. Advisor will assist you with the establishment of a qualified plan by working with you and a selected Third-Party Administrator. If you have not already selected a Third-Party Administrator, Advisor shall assist you with the review and selection of a Third-Party Administrator for the Plan.

We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, Advisor will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated



with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, Advisor cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

Advisor will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that Advisor is required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which Advisor is informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), Advisor will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If Advisor makes an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which the firm learns of such error or omission.

### **Tailor Advisor Services to Individual Needs of Clients**

Our services are always provided based on your specific needs. You have the ability to impose restrictions on your accounts, including specific investment selections and sectors. However, we will not enter into an investment advisor relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Participation in Wrap Fee Programs**

We offer asset management services exclusively through wrap fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

See Wrap Fee Brochure Form ADV 2A Appendix for a full description of this service.

### **Client Assets Managed by Advisor**

The amount of client's assets managed by Advisor totaled \$127,707,955.75 as of December 5, 2018. \$114,410,039.95 is managed on a discretionary basis and \$13,297,915.80 on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

### **Private Portfolio Management Program (PPM) Services**

PPM accounts are charged a single "wrap fee" that covers advisory, execution, custodial and reporting services. For our PPM asset management services at the sole discretion of the Advisor, Clients may be offered the option of being billed on a percentage of assets under management or on a fixed fee basis.

Asset under management fees are negotiated as a percentage of assets held is a client's managed accounts not to exceed an annualized rate of up to a maximum of 2% billed quarterly in advance and calculated as of the account value as of the beginning of each quarter. Fixed fee asset management services are will be charged a fee not to exceed 2% of the asset under management calculated in advanced and billed to the client account on a quarterly basis. The amount of asset management fees to be charged and the method of billing will be specified in the client agreement

If accounts are created mid-quarter, fees are prorated and billed at the end of the initial period along with the first full quarter's advance billing. The prorated fee is based on the number of days services are provided during the quarter and begin on the day the account is initially funded.

The above fee schedule is negotiable at our discretion based on:

- The amount of assets under management
- The anticipated level of trading activity pursuant to the security types maintained in the account
- The complexity of the managed assets
- Whether or not we are granted discretionary authority on the account
- The number of accounts we are managing for you and your related persons
- Our history with or other relationships with you
- Potential future assets that may be invested with us

We require a minimum initial account value of \$1,000,000, although the minimum may be waived under certain circumstances (i.e., potential additional deposits, family relationships, referral sources, etc.).

### **Bazis Private Wealth Management Program (PWM)**

The firm's PWM Program is available to clients with a minimum of \$5 Million in assets under management with our firm.

PWM accounts are also charged a single "wrap fee" that covers advisory, execution, custodial and reporting services. For our PWM asset management services at the sole discretion of the Advisor, Clients may be offered the option of being billed on a percentage of assets under management or on a fixed fee basis.

Asset under management fees are negotiated as a percentage of assets held is a client's managed accounts not to exceed an annualized rate of up to a maximum of 2% billed quarterly in advance and calculated as of the account value as of the beginning of each quarter. Fixed fee asset management

services are will be charged a fee not to exceed 2% of the asset under management calculated in advanced and billed to the client account on a quarterly basis. The amount of asset management fees to be charged and the method of billing will be specified in the client agreement

If accounts are created mid-quarter, fees are prorated and billed at the end of the initial period along with the first full quarter's advance billing. The prorated fee is based on the number of days services are provided during the quarter and begin on the day the account is initially funded.

The PWM annual fee are also negotiable based upon the following criteria:

- The complexity of the managed assets
- Our history with or other relationships with you
- Potential future assets that may be invested with us

The amount of asset management fees that will be charged to client accounts will be specified in the asset management agreement signed before any services are provided.

Advisor believes that its annual fee for both programs are reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. Our firm will send you a billing statement prior to time that fee deduction instruction is sent to the qualified custodian(s) of your account. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered. See *Item 15 – Custody* for more details.

Asset management services under both programs continue in effect until terminated by either party (i.e., Advisor or you) by providing written notice of termination to the other party. When fees are billed in arrears, Advisor will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

### **Financial Planning & Consulting Services**

We offer financial planning and consulting services to that can be full and focus on your overall financial goals and objectives or can be modular and focus on your specific needs or areas of concern. Our objective is to coordinate the advice provided so that your goals are prioritized, organized, tax managed and working together to fit your risk and long-term performance expectations.

We collect information and documentation from you that is necessary to perform the requested financial planning services. We rely on the information provided by you. Therefore, it is important the information

you provide is complete and accurate. Neither we nor our investment advisor representatives (“representatives”) are responsible for verifying the information you provide. In addition, if authorized by you, we gather information or documentation from your other professionals and are expressly authorized to rely on that information provided. We may work together with tax professionals, estate planning professionals, and investment professionals to formulate your plan. We urge you to work closely with your attorney, accountant or other professionals regarding your financial and personal situation.

Fees charged for our financial planning and consulting services are negotiable based upon the type of client, the services requested, the complexity of the client's situation and the relationship of the client and the investment adviser representative. The following are the fee arrangements available for financial planning and consulting services offered by Advisor.

### **Financial Planning**

Typically, we provide full and modular financial planning services for a fixed fee ranging from \$1,000 to \$15,000. Fees are negotiable and based on the level and scope of services requested (including expectations, goals and preferences), the complexity of your financial situation and your relationship and history with us. You may also request that we bill for our services at the rate of \$432 per hour for Duane Bazis, \$175 per hour for junior advisors, and \$75 per hour for administration services performed by Mary Bazis. Fees are billed in advance and due at the time the client agreement is signed. If an hourly fee is charged, we provide you with an estimate of anticipated hours need to complete the requested plan. You are billed the actual time needed to complete the plan. If we over-estimated, you receive a refund of the unearned fees. If we under-estimated, you are billed for additional fees due to us. After presentation of the written plan, we provide you with a billing statement detailing the fees earned, the refund due to you or the fees due from you.

Financial planning services terminate upon presentation of the plan. Either party may terminate services prior to completion by providing written notice to the other party. Termination is effective upon receipt of the notice. If notice is received within 5 days of signing the client agreement, services are terminated without penalty. You are responsible for the actual time expended on the requested plan by us prior to the effective date of termination. For both fixed and hourly fees, we prorate our earned fees at the blended rate reflecting which employee participated in the plan and the rate applicable to their service. We provide you with a billing statement detailing the fees earned, any refund due to you or any additional fees due from you.

### **Consulting Services**

We also offer consulting services that are more general in nature than financial plans and typically focus on a specific area of concern to you. Consulting services may be single meeting or multiple-meeting events and can include, but are not limited to:

- Reviews of your current financial plan, tax strategies, asset allocation, risk level and performance
- Insurance and estate issues
- Business valuations
- Pension consulting services to qualified plans
- Balance sheet and financing options referrals to third party experts. An hourly fee for consultation and ongoing service coordinating paperwork with lender is applicable.

We charge hourly fees for consulting services at the rate of \$432 per hour for Duane Bazis, \$175 per hour for junior advisors Ben Bazis and Rich McGinness, and \$75 for administrative by Mary Bazis. Fees are billed in advance and due at the time the client agreement is signed. We provide you with an estimate of anticipated hours need to complete the requested consultations. If we over-estimated, you receive a refund of the unearned fees. If we under-estimated, you are billed for additional fees due to us. You have sole discretion as to how long consultations last and you are billed the actual time expended on the consultations. After consultations are completed, we provide you with a billing statement detailing the fees earned, the refund due to you or the fees due from you.

Services terminate upon completion of the requested consultations. Either party may terminate services prior to completion by providing written notice to the other party. Termination is effective upon receipt of the notice. If notice is received within 5 days of signing the client agreement, services are terminated without penalty. You are responsible for the actual time expended on the consultations provided to the effective date of termination. We provide you with a billing statement detailing the fees earned, any refund due to you or any additional fees due from you.

### **Retirement Plan Services**

For retirement plan sponsor clients, Advisor will charge an annual fee that is calculated as a percentage of the value of plan assets or on a fixed fee basis. The annual fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested, our history with or other relationship with the plan and the potential for additional deposits.

Retirement Plan Services may be offered the option of being billed on a percentage of assets under management or on a fixed fee basis.

Retirement Plan Service fees are negotiated as a percentage of assets held in a retirement plan account not to exceed an annualized rate of up to a maximum of 2% billed quarterly in advance and calculated as of the account value as of the beginning of each quarter. Fixed fee asset management services are will be charged a fee not to exceed 2% of the asset under management calculated in advanced and billed to the client account on a quarterly basis. The amount of asset management fees to be charged and the method of billing will be specified in the client agreement

For individual participants, we also offer the option of being billed on a percentage of assets under management or on a fixed fee basis. The percentage fee ranges up to a maximum of 2% per year. Fixed fee asset management services are will be charged a fee not to exceed 2% of the asset under management calculated in advanced and billed to the client account on a quarterly basis. The amount of asset management fees to be charged and the method of billing will be specified in the client agreement

For retirement plan sponsors and participants, fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated as of the account value as of the beginning of the quarter. If accounts are created mid-quarter, fees are prorated and billed at the end of the initial period along with the first full quarter's advance billing. The prorated fee is based on the number of days services are provided during the quarter and begin on the day the account is initially funded.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Advisor. We will provide the custodian with a fee notification statement.

The services will terminate upon either party providing notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

Advisor does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### ***Other Affiliations and General Information***

Some of our representatives may also be licensed insurance agents. If you elect to purchase insurance products through our representatives in this separate capacity, they may earn commissions. This situation represents a conflict of interest because our representatives could receive fees for the advice and also receive commissions for implementing the recommendations in their separate capacities as insurance agents. You are not obligated in any manner to implement our advice or to implement through our representatives as insurance agents.

Although financial planning and consulting services are provided with the intention that you will implement our recommendations through us, you are not obligated to do so. You retain discretion over implementing decisions relating to financial planning and consulting services and are free to accept or reject any of our recommendation. If you elect to have our representatives implement the advice provided as part of the financial planning or consulting services through the other programs offered by us and described elsewhere in this Disclosure Brochure. If implemented, we and our representatives could earn additional fees or our representative could earn commissions in their separate capacities as insurance agents.

It is your responsibility to notify us if there are any changes in your financial situation or investment objectives so that we can work with you to determine if the changes affect our advice to you. Together, we determine whether wish to engage us to review, evaluate and revise our previous recommendations.

### **Comparable Services**

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not receive performance-based fees.

## **Item 7 – Types of Clients**

We provide investment advice to the following types of clients:

- Individuals (including high-net worth individuals)
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

### **Minimum Investment Amounts Required**

For our PPM Program there is a minimum initial account value of \$1,000,000 required to establish an account, although this minimum may be waived under certain circumstances (i.e., potential additional deposits, family relationships, referral sources, etc.).

For our PWM Program we require a minimum of \$5 Million in assets under management with our firm.

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

### **Methods of Analysis**

We use fundamental and charting analysis when considering investment strategies and recommendations for clients.

#### ***Fundamental***

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

#### ***Charting***

Charting is a technical analysis that charts the patterns of stocks, bonds and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

## **Investment Strategies**

The investment strategies we use when implementing investment advice include:

- Long term purchases (securities held at least a year.)
- Short term purchases (securities sold within a year.)
- Trading (securities sold within 30 days.)
- Short sales (Borrowing securities in anticipation of a price decline and returning an equal number of securities at some future time.)
- Margin transactions (Investor pays for part of the purchase and borrows the rest from a brokerage firm; e.g., investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Advisor.)
- Option writing (Including covered options, uncovered options or spreading strategies.) (Note: options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.)

We gather information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate ratings services, annual reports, prospectuses and filings with the Securities and Exchange Commission and company press releases.

## **Primary Method of Analysis or Strategy**

Our primary method of analysis or strategy is asset allocation--determining the percentages of stocks, bonds and cash relative to your risk profile, tax situation and investment horizon. Stocks are core long term equity holdings and weighted in close correlation to S&P sectors. Strategic equity positions are used to overweight or underweight S&P sectors relative to undervaluation or overvaluation estimates in sections based on fundamental research. Bond positions are laddered in maturity. Separate bond purchases are in A rated or better municipal, U.S. Government agencies and U.S. Treasury issues.

See also, **Item 5, Fees and Compensation**, for additional discussion on our strategy and analysis methods when managing assets.

## **Risk of Loss**

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- Market Risk. Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.



- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- Management Risk. Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you borrow part of the purchase price then you are engaging in margin transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, including:

- You can lose more funds than you deposit in your margin account
- The account custodian or clearing firm can force the sale of securities or other assets in your account
- The account custodian or clearing firm can sell your securities or other assets without contacting you
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call

### **Primary Recommend One Type of Security**

We do not primarily recommend only one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to their specific circumstances and needs.

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

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our brochure.

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

We are not and do not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An 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)
- Other investment advisor or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships

We are an independent registered investment registered advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment advisor representatives with us.

### **Insurance Sales**

Some of our representatives are also independently licensed to sell insurance products through various insurance companies. When acting in this capacity, they may receive fees or commissions for selling these products. You are under no obligation to direct insurance transactions to insurance companies with which our representatives may be licensed. Suitable insurance and investment products may be available from other companies.

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

### **Code of Ethics Summary**

Federal and state rules and regulations require all investment advisers to establish, maintain and enforce a Code of Ethics. We have established a Code of Ethics that applies to all of our associated persons. An investment adviser is considered a fiduciary and, as a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of clients at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider trading and personal securities transactions policies and procedures. Advisor requires all supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Once employed by or affiliated with us, and at least annually thereafter, all supervised persons sign an acknowledgement that they have read, understand and agree to comply with our Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of our own investment interests. Full disclosure of all material facts and conflicts of interest is provided to you prior to any services being conducted. We and our supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect its duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if you wish to review our Code of Ethics in its entirety, a copy is provided promptly upon request.

### **Participation in Client Transactions and Personal Trading**

Either we or our representatives or associated persons may buy or sell for our personal accounts investment products identical to those recommended to clients. This creates a conflict of interest. It is our express policy that all persons associated in any manner with us must place the interests of our clients ahead of their own when implementing personal investments. We will not buy or sell securities for our personal account(s) where our decision is derived, in whole or in part, by information obtained as a result of employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by Bazis & Young Investment Group are widely held and publicly traded.

## **Item 12 – Brokerage Practices**

If you wish to implement our advice, you are free to select any broker/dealer or investment advisor you wish and are so informed. If we assist you in implementing any recommendations, we have a duty to ensure that you receive the best execution possible. Best execution does not necessarily mean the lowest price but includes the overall services received from a broker/dealer.

You should understand that not all investment advisors require the use of a particular broker/dealer. While we attempt to seek best execution for client accounts, we may be unable to achieve the most favorable execution of your transactions if you direct the use of a specific custodian. There may be other platforms that are less expensive and may provide faster execution capabilities.

If you wish to implement our advice through our PPM LPL Financial, LLC and member of FINRA and SIPC and/or TD Ameritrade Institutional a division of TD Ameritrade Inc. member of FINRA and SIPC will

be the primary custodians recommended. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that allows us to meet our duty of best execution.

While there is no direct linkage between the investment advice given to clients and our recommendation of a broker dealer; those firms may provide economic benefits to us that are not provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Ability to “block” client trades
- Electronic download of trades, balances and position information
- The ability to have investment advisory fees deducted directly from client accounts;
- Access to an electronic communications network for client order entry and account information;
- Access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.
- Access, for a fee, to an electronic interface with the account custodian’s software
- Duplicate and batched client statements
- Confirmations and year-end reports.

While we recommend broker dealers or custodians, you are free to select any broker, dealer or custodian you wish. As previously discussed, we may be limited in the broker, dealers or custodians where you are allowed to maintain your managed account. Your direction to use a particular broker, dealer, or custodian must be provided in writing. When you direct the use of a particular broker, dealer or other custodian, we may not be able to obtain the best prices and execution for the transaction. If you direct the use of a particular broker, dealer or custodian you may receive less favorable prices than would otherwise be the case if you had not designated a particular broker, dealer, or custodian. Further, you will not be able to participate in aggregate trades (i.e. block trades) and directed trades may be placed by us after effecting non-directed trades.

### **Trade Allocation**

We generally allocate investment opportunities among eligible client accounts promptly and on an equitable basis. However, in some instances, we may encounter situations where it may be beneficial for one or more of our clients’ accounts to purchase or sell a security where the investment opportunity is limited. In these situations, we allocate the opportunity among eligible client accounts. These allocation decisions are made in a timely manner (i.e., prior to placing the order). We do not place trades for our accounts or our supervised persons’ accounts in a manner that is favorable over client accounts.

### **Block Trades**

We generally implement transactions for client accounts independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by us when we believe such action may prove advantageous to clients. When we aggregate client orders, we allocate securities among client accounts on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders

among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions are averaged as to price and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day. When we decide to aggregate client orders for the purchase or sale of securities, including securities in which we may invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* We do not receive any additional compensation or remuneration as a result of aggregation.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by us if we caused the error. If the error is caused by the broker-dealer, the broker-dealer is responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. We may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). We never benefit or profit from trade errors.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Financial planning services terminate upon presentation of the plan or completion of the consultations and so no account reviews are performed. However, we recommend that you have your financial situation reviewed and updated at least annually. If you elect to have this review and update, a new client agreement is required and additional fees are charged.

Managed accounts (PPM and PWM) are reviewed daily. Each managed account is assigned a manager that is responsible for reviewing and monitoring the assets maintained in the account. Internal money managers use daily charting services and outside research to review the stock, bond and mutual fund positions to determine if any adjustments are needed to the model portfolios and to the separate portfolios.

While the calendar is the main triggering factor, reviews can also be conducted due to your request, due to a change in your circumstances, account holdings or investment objectives or due to unusual market activity or economic conditions.

### **Account Reports**

You receive statements from your account custodian at least quarterly. Our firm does not provide account reports and/or statements.

## Item 14 – Client Referrals and Other Compensation

### Client Referrals

We do not directly or indirectly compensate anyone for referring clients to us.

### Other Compensation

For additional discussion on other compensation received by Advisor, its owners or its representatives, please refer to **Additional Compensation** under **Item 5, Fees and Compensation** and **Item 12, Brokerage Practices**, for discussion about the services and products we may receive from LPL and or TD Ameritrade.

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. Please note that regulators have deemed the authorization to trade in client accounts to not be custody. However, we are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. Based upon the firm having access to client's retirement plan accounts we are deemed to have custody over those assets. We will engage an unaffiliated CPA firm to conduct an unannounced audit over these assets each year.

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

## Item 16 – Investment Discretion

Asset management services through PPM are provided on a non-discretionary or discretionary basis. If asset management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. If management services are provided on a discretionary basis, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority. You can impose restrictions on managing your accounts. If your accounts are managed on a non-discretionary basis, and we cannot reach you or you are slow to respond to us, it can have an adverse impact on the timing of

trade implementations and we may not achieve the optimal trading price. You can impose restrictions on managing your accounts.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian.

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

We do not vote proxies on your behalf. You should read through the information provided in the proxy-voting documents and make a determination based on the information provided. If you request it, our representatives may provide limited clarifications of the issues presented based on their understanding of the issues presented in the materials. However, you have ultimate responsibility for making all proxy-voting decisions.

### **Item 18 – Financial Information**

This item is not applicable to our brochure. We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

### **Class Action Lawsuits**

You retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. We do not initiate such a legal proceeding on your behalf and do not provide legal advice to you regarding potential causes of action against such a security issuer and whether you should join a class-action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, our services do not include monitoring or informing you of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for you.

### **Privacy Policy**

**Commitment to Your Private Information:** We have a long-standing policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share non-public personal information about you (“Information”) with outside third parties without your consent, except for the specific purposes described below. This notice is provided to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide

financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation and other services described in our Disclosure Brochure.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, Social Security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action up to and including termination from employment with us. We also maintain physical, electronic and procedural safeguards to protect information, which comply with applicable SEC, state and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with the providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy continues to apply to you and we continue to treat your non-public information with strict confidentiality.