



CAPITAL MANAGEMENT

585 STEWART AVE, SUITE 620

GARDEN CITY, NY 11530

(516)746-9000

www.FlynnZito.com

**FIRM CONTACT:
RICHARD ZITO
CHIEF COMPLIANCE OFFICER**

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This brochure provides information about the qualifications and business practices of Flynn Zito Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (516)746-9000 or email us at flynn.zito@lpl.com. 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. Flynn Zito Capital Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Flynn Zito Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Flynn Zito Capital Management, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure. Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Since the last annual amendment filed on 03/15/2019, we have no material changes to disclose.

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Item 4. Advisory Business

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of New York. With over 50 years of combined industry experience, fifty-percent owners, Douglas Flynn and Richard Zito, formed our firm as an investment adviser in 2010. Our mission is to help you live comfortably and confidently in your retirement years. Below are some highlights of our mission and goals:

Retirement Planning Approach

- Understanding your specific needs, goals and financial situation is critical to building a successful long-term strategy.
- We know that each client's needs are different and, therefore, have the ability to custom tailor retirement strategies to fit unique needs, goals and financial situations.
- We believe the manager of your investments should have a philosophy and approach that is consistent.
- We can periodically prepare an evaluation of your investments for you to review.
- Through regular reviews, we are able to recommend adjustments to your investments in response to changes in your needs, goals or overall strategy.
- We can set up meetings with you and your beneficiaries to discuss the options and benefits of the various beneficiary designations.

Types of Advisory Services Offered

Comprehensive Portfolio Management:

As part of our Comprehensive Portfolio Management service clients will be provided asset management and financial planning or consulting services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, consisting of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

As part of this service, our firm may also utilize the sub-advisory services of a third party investment advisory firm or individual advisor to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure that the chosen party is properly licensed or registered.

Asset Management:

As part of our Asset Management service, a portfolio is created, consisting of individual stocks, bonds, ETFs, options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives.

As part of this service, our firm may also utilize the sub-advisory services of a third party investment advisory firm or individual advisor to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure that the chosen party is properly licensed or registered.

Retirement Plan Consulting:

Our firm provides retirement plan consulting services to employer plan sponsors on a one time or on-going basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

Retirement Plan Consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in the development a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm can work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our firm can develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our firm can monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All Retirement Plan Consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

Employer Sponsored Retirement Plan Participant (ESRPP) Account Consulting:

We provide consulting services to participants in employer sponsored retirement plans. Employer Sponsored Retirement Plan Participant (ESRPP) Consulting consists of planning and advising on allocation of securities within a client’s ESRPP account(s). Advice may include allocation strategies, available fund research, available fund review, retirement plan outlines and instruction to a plan participant. We do not maintain custody, nor exercise discretion as part of the ESRPP service.

Financial Planning & Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client’s current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client’s financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or

trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within 6 months of the client signing an agreement with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

LPL Sponsored Advisory Programs:

Our firm may provide advisory services through certain programs sponsored by LPL Financial, LLC, a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to our firm. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Form ADV Part 2 or the applicable program's Appendix 1 (Wrap Fee Program Brochure) and the applicable client agreement. The following advisory services are made available through LPL:

- **Manager Access Network (MAN)**

MAN enables high-net-worth investors to access a variety of institutional Portfolio Managers at significantly lower account minimums. By using separate account managers, clients can enjoy a higher level of specialization and service through the ownership of individual securities. A broad range of Portfolio Managers and multiple investment styles are available, including equity, fixed income, balanced, international, ETF, REIT and socially responsible portfolios. A minimum account value of \$100,000 is required for MAN.

- **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, the client will authorize LPL Financial on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. We will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL Financial will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL Financial will also have authority to rebalance the account. A minimum account value of \$15,000 is required for OMP.

- **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL Financial. We will have discretion for selecting the asset allocation model portfolio based on client's investment objective. We will also have discretion for selecting third party money managers (PWP advisors) or mutual funds within each asset class of the model portfolio. LPL Financial will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities. A minimum account value of \$250,000 is required for PWP.

- **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. We will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. We initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL Financial's Research Department consistent with the client's stated investment objective. LPL Financial's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected. The client will authorize LPL Financial to act on a discretionary basis to purchase and sell mutual funds, including in certain circumstances exchange traded funds and to liquidate previously purchased securities. The client will also authorize LPL Financial to effect rebalancing for MWP accounts. A minimum account value of \$100,000 is required for MWP.

- **Manager Access Select Program (MAS)**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. We will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL Financial. The Portfolio Manager manages client's assets on a discretionary basis. We will provide initial and ongoing assistance regarding the Portfolio Manager selection process. A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

Newsletters:

Our firm may provide monthly e-newsletters to its advisory clients free of charge.

Tailoring of Advisory Services

We offer individualized investment advice to clients utilizing our firm's Comprehensive Portfolio Management and Asset Management services. General investment advice will be offered to our Financial Planning & Consulting, Retirement Plan Consulting, and Referrals to Third Party Money Management clients. We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our firm's Comprehensive Portfolio Management and Asset Management services.

Participation in Wrap Fee Programs

Our firm does not offer or sponsor a wrap fee program. We may, however, recommend that clients invest in a wrap fee advisory program sponsored by LPL Financial. Please see LPL Financial's advisory program brochures for more information about these programs.

Regulatory Assets Under Management

As of November 18th, 2019, our firm manages \$395,845,884 on a discretionary basis.

Item 5. Fees & Compensation

Compensation for Our Advisory Services

Comprehensive Portfolio Management:

Assets Under Management:	Annual Percentage of Assets Charge:
First \$100,000	1.95%
Next \$200,000	1.65%
Next \$300,000	1.25%
Next \$400,000	1.00%
Next \$2 million	0.75%
Next \$7 million	0.60%
Next \$15 million	0.50%
Over \$25 million	By Negotiation

The signed custodian's account application establishes the agreed upon fee at the inception of the account and is subject to subsequent revisions. Fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. If you move assets into or out of your account during the quarter, your fee is pro-rated so that you are charged only for the time your assets are in the account. Fees are negotiable and will be deducted from the account(s). Please note that fees will be adjusted for deposits and withdrawals made during the quarter. If accounts are opened during the quarter, the pro-rata advisory fees will be deducted during the next regularly scheduled billing cycle. Fees are normally debited proportionately from each account. However, if you prefer, you can receive a direct bill for any account you choose. The majority of our firm's legacy clients may be charged differently from the fee schedule stated above, as the actual fees being charged to such clients vary and are negotiable. As part of this process, you understand the following:

- LPL as the client's custodian sends statements at least quarterly, showing all disbursements for each account, including the amount of the advisory fees paid to our firm;
- Clients provide authorization permitting LPL to deduct these fees;
- LPL calculates the advisory fees for all fee schedules and deducts them from the client's account.

For the sub-advisory service rendered, our firm will be compensated by the chosen third party investment advisory firm(s) or individual advisors a percentage of the overall investment advisory fee charged. The total fee to be paid by the client for our and the third party investment advisory firm(s) or individual advisors' fee will not exceed the amount(s) posted above.

Asset Management:

Assets Under Management:	Annual Percentage of Assets Charge:
First \$100,000	1.85%
Next \$200,000	1.55%
Next \$300,000	1.15%
Next \$400,000	0.90%
Next \$2 million	0.65%
Next \$7 million	0.50%
Next \$15 million	0.40%
Over \$25 million	By Negotiation

The signed custodian's account application establishes the agreed upon fee at the inception of the account and is subject to subsequent revisions. Fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. If you move assets into or out of your account during the quarter, your fee is pro-rated so that you are charged only for the time your assets are in the account. Fees are negotiable and will be deducted from the account(s). Please note that fees will be adjusted for deposits and withdrawals made during the quarter. If accounts are opened during the quarter, the pro-rata advisory fees will be deducted during the next regularly scheduled billing cycle. Fees are normally debited proportionately from each account. However, if you prefer, you can receive a direct bill for any account you choose. The majority of our firm's legacy clients may be charged differently from the fee schedule stated above, as the actual fees being charged to such clients vary and are negotiable. As part of this process, you understand the following:

- a) LPL as the client's custodian sends statements at least quarterly, showing all disbursements for each account, including the amount of the advisory fees paid to our firm;
- b) Clients provide authorization permitting LPL to deduct these fees;
- c) LPL calculates the advisory fees for all fee schedules and deducts them from the client's account.

For the sub-advisory service rendered, our firm will be compensated by the chosen third party investment advisory firm(s) or individual advisors a percentage of the overall investment advisory fee charged. The total fee to be paid by the client for our and the third party investment advisory firm(s) or individual advisors will not exceed the amount(s) posted above.

Retirement Plan Consulting

Our Retirement Plan Consulting services are billed on an hourly or flat fee basis or a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$450. Our flat fees range from \$2,500 to \$10,000. The Flynn Zito portion of Fees are based on a percentage of managed Plan assets that will not exceed 1.00%. The fee-paying arrangements for Retirement Plan Consulting service will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Clients will be invoiced directly for the fees.

Employer Sponsored Retirement Plan Participant (ESRPP) Account Consulting:

Annual fees for our ESRPP Account Consulting range from 0.50% to 0.75% billed quarterly in advance based on the value of the account on the last day of the previous quarter. Our fees are negotiable based on the scope and complexity of each client. You are free to terminate this service at any time without penalty. In doing so, the fee stops at the end of the quarter in which notice of termination is received. Our ESRPP Account Consulting fees will be billed directly to you and due upon receipt of our invoice.

Financial Planning & Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$450. Flat fees generally range from \$2,500 to \$10,000. We require a retainer of 50% of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within 30 days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

LPL Sponsored Advisory Programs:

The account fee charged to the client for each LPL advisory program is negotiable. The combined fee for our firm's management fee and the LPL Sponsored Advisory Program fee will not exceed the following fee schedule:

Advisory Program	Annual Percentage of Assets Charge
Manager Access Network	Up to 2.50%
Model Wealth Portfolio	Up to 2.50%
Optimum Market Portfolio	Up to 2.50%
Personal Wealth Portfolio	Up to 2.50%

LPL has a separate billing process which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

Other Types of Fees & Expenses

Clients may incur transaction charges for trades executed in their accounts. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees. In some client accounts we hold A shares which incur 12b-1 fees. In some cases we may advise the clients to hold onto the A shares when it is in their best interest for tax or other reasons.

Termination & Refunds

Either party may terminate the signed Comprehensive Portfolio Management or Asset Management Agreement at any time upon written notice of termination. Upon receipt of your notice of termination, LPL will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the quarter.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within 5 business days of signing an agreement. After 5 business days from initial signing, either party must provide the other party 30 days' written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will be charged on a pro-rata basis, which takes into account work completed by our firm on behalf of the client. Clients will incur charges for bona fide advisory services rendered up to the point of termination (determined as 30 days from receipt of said written notice) and such fees will be due and payable.

Commissionable Securities Sales

In non-advisory accounts we can offer securities for a commission because our supervised persons are registered representatives of LPL Financial Corporation, member FINRA/SIPC. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service (“trail”) fees from the sale of mutual funds. You should be aware that if a non-advisory account is opened the practice of accepting commissions for the sale of securities: (1) Could present a conflict of interest that may give our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received. We generally address commissionable sales conflicts that arise: when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons may earn; or when recommending commissionable mutual funds, explaining that “no-load” or “load-waived” funds are available through our firm if the client wishes to become an investment advisory client.; (2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.; (3) Does not exceed more than 50% of our revenue.; and (4) Does not reduce your advisory fees to offset the commissions our supervised persons receive.

Item 6. Performance-Based Fees & Side-By-Side Management

Our firm does not charge performance based fees.

Item 7. Types of Clients & Account Requirements

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension, Profit Sharing Plans, and other Retirement Plans;
- Corporations, limited liability companies and/or other business types.

LPL Sponsored Advisory Programs have the following requirements:

- MAN: A minimum account value of \$100,000 is required. In certain instances, however, the minimum account size may be lower or higher.
- MWP: A minimum account value of \$25,000-\$80,000 is required depending upon the selected model
- OMP: A minimum account value of \$15,000 is required.
- PWP: A minimum account value of \$250,000 is required.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

We may use the following methods of analysis in formulating our investment advice and/or managing client assets:

- *Charting.* In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.
- *Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not

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

- *Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.
- *Cyclical Analysis.* In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Investment Strategies

We may use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- *Long-Term Purchases.* When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.
- *Short-Term Purchases.* When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.
- *Trading.* We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.
- *Margin Transactions.* We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.
- *Option Writing.* We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market or other markets may increase and the account(s) could enjoy a gain, it is also possible that the stock market or other markets may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market or other markets, are appropriately diversified in investments, and ask any questions.

Description of Material, Significant or Unusual Risks

We generally invest client's cash balances in money market funds, an FDIC Insured Bank Deposit Program, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our Comprehensive Portfolio Management and Asset Management services.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities & Affiliations

We participate in LPL Financial's hybrid RIA program. As such, our investment adviser representatives are also registered representatives with LPL, in which all brokerage transactions will be implemented through LPL. Investment adviser representatives are required to implement brokerage trades in this manner as a result of them being registered representatives with LPL. This relationship will be disclosed to all clients prior to the initial transactions being implemented. As a result of this relationship, we do not recommend directed brokerage trades, negotiating fees or commissions or receiving additional incentives from other broker/dealers for trades executed through them. However, clients will be made aware that as registered representatives, the investment adviser representatives receive services including but not limited to: administrative functions including portfolio pricing, account statement generation, fee calculations, back-office support, trade execution and research. Clients are not obligated to implement transactions through the investment adviser representatives in their separate capacities as registered representatives. Clients' trades will always be implemented based on the goals and objectives of the client and not on the incentives to the representatives for implementing the trades. Our firm's management persons will only receive commissions for securities recommendations they make to brokerage clients in non-advisory accounts. Compensation for brokerage commissions of registered representatives of LPL are paid directly to the registered representative by LPL in their individual capacity and separate from Flynn Zito Capital Management, LLC.

Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts¹. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. 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 each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our 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. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

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

Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Item 12. Brokerage Practices

Our firm does not maintain custody of client assets. Our firm has an arrangement with LPL Financial under which we receive non-soft-dollar services such as research and administrative functions including portfolio pricing, account statement generation and fee calculations, which are intended to support our firm in conducting business and in serving the best interests of our clients. It is important to note that our firm does not have discretionary authority to choose the broker/dealer used, or commission rates paid, to execute transactions.

Our firm does not receive client brokerage commissions (or markups or markdowns) to obtain research or other products or services. We do not receive soft dollars, products or services acquired with client brokerage commissions. Our firm does not receive brokerage for client referrals. We do not allow client-directed brokerage, as trades in our clients' accounts are executed through LPL Financial, a qualified custodian and broker-dealer; neither do we direct client transactions to LPL Financial in return for soft-dollar benefits.

Our firm is establishing a limited arrangement with Charles Schwab & Co., Inc. ("Schwab"), a qualified custodian from whom our firm is independently owned and operated. Schwab will not be recommended as a custodian for existing clients except for specific situations. Schwab offers services to independent investment advisers which includes custody of securities, trade execution, clearance and settlement of transactions. Schwab enables us to obtain no-load mutual funds without transaction charges and other funds and ETFs at nominal transaction charges. Schwab does not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client's custodial account. Transaction fees are negotiated with Schwab and are generally discounted from customary retail commission rates.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits

directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Aggregation of Purchase or Sale

We generally do not aggregate the purchase or sale of securities for various client accounts but rather review accounts independently and place transactions accordingly. Whether or not securities are purchased or sold at approximately the same time, all client transactions will incur individual transaction fees. Whether or not we aggregate our orders, LPL Financial does bunch orders. The advantage of bunching is that orders are handled in a way that may mitigate market impact, when applicable and possible. If orders are bunched, each client gets the same average execution price.

Item 13. Review of Accounts or Financial Plans

Our Chief Compliance Officer or investment advisory personnel are responsible for the review of client accounts. Comprehensive Portfolio Management and Asset Management accounts are generally reviewed on at least a quarterly basis. ESRPP Account Consulting and LPL Sponsored Advisory clients generally receive annual review. Certain accounts, however, may be reviewed more or less frequently. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when clients are contacted.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to financial planning clients, but is willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services where clients are met with upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

Item 14. Client Referrals & Other Compensation

LPL Financial

We provide discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of each client. Accordingly, we are authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold. We do not have discretionary authority over the broker or dealer to be used.

We shall recommend LPL. LPL is the broker-dealer with which our representatives are also associated. As a result of the individual association of our representatives with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts. Our general policies relative to the execution of client securities brokerage transactions are as follows:

In seeking “best execution”, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. LPL also takes into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Although LPL will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for all account transactions.

Over-the-Counter (OTC) securities transactions are generally effected based on two (2) separate broker-dealers: (1) a “dealer” or “principal” acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client may also incur the transaction fee imposed by the executing broker-dealer. We do not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.

Transactions for each client account will generally be effected independently. We individually review each client's account and place trades accordingly. Despite being purchased or sold at approximately the same time all clients' transactions will incur individual transaction fees.

We may receive from LPL or a mutual fund company, without cost and/or at a discount non soft-dollar support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations. Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

Referral Fees

We may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15. Custody

Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter (“Letter”) with respect to the Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16. Investment Discretion

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Comprehensive Portfolio Management and Asset Management clients. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. We do not take or exercise discretion with respect to our non-advisory clients.

Item 17. Voting Client Securities

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 18. Financial Information

Our firm is not required to provide financial information in this Brochure because our firm does not require the prepayment of more than \$1,200 in fees and six or more months in advance, our firm does not take custody of client funds or securities and our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. Our firm has never been the subject of a bankruptcy proceeding.