

DB & C Advisors, LLC Disclosure Brochure

# Disclosure Brochure

March 28, 2019

## DB & C Advisors, LLC

*a Registered Investment Adviser*

355 Settlers Road, Suite 310  
Holland, MI 49423

(616) 355-3455

[www.dbc-advisors.com](http://www.dbc-advisors.com)



This brochure provides information about the qualifications and business practices of DB & C Advisors, LLC. If you have any questions about the contents of this brochure, please contact Daniel O'Mealey at (616) 355-3455. 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 DB & C Advisors, LLC is available on at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

DB & C Advisors, LLC is a Securities and Exchange Commission registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

This section of the brochure discusses only those material changes that have occurred since DB & C's (the "Firm") last annual update, dated February 21, 2018. The Firm has the following material changes to report:

- A change in address was made from 355 Settlers Road, Suite 210, Holland, MI 49423 to the new address 355 Settlers Road, Suite 310, Holland, MI 49423.
- As of November 2018, DB&C Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), rather than the State of Michigan Securities Division. This is due to our level of Assets Under Management, as Registered Investment Advisors with above \$100 million of Assets Under Management are subject to SEC, rather than State, regulation and oversight.

## Item 3. Table of Contents

Item 1. Cover Page .....	i
Item 2. Material Changes .....	ii
Item 3. Table of Contents .....	iii
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	8
Item 6. Performance-Based Fees and Side-by-Side Management .....	12
Item 7. Types of Clients .....	13
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	14
Item 9. Disciplinary Information .....	16
Item 10. Other Financial Industry Activities and Affiliations .....	17
Item 11. Code of Ethics .....	19
Item 12. Brokerage Practices .....	20
Item 13. Review of Accounts .....	23
Item 14. Client Referrals and Other Compensation .....	24
Item 15. Custody .....	25
Item 16. Investment Discretion .....	26
Item 17. Voting Client Securities .....	27
Item 18. Financial Information .....	28

### Item 4. Advisory Business

The Firm has been in business since October 2010 and is principally owned by DB&C Investment Services, LLC.

The Firm is an investment adviser providing financial planning, consulting and investment management services. Additionally, certain of the Firm's *Supervised Persons* (defined below), George Gardner, Jr. and Daniel O'Mealey, in their individual capacities as insurance representatives of LPL Financial, may offer insurance products under a commission arrangement. Prior to engaging the Firm to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which it shall render its services (collectively the "*Agreement*").

As of January 31, 2019, the firm had \$125,752,044 in assets under management, \$75,430,561 of which were managed on a discretionary basis and \$50,708,483 of which were managed on a non-discretionary basis.

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

#### Financial Planning and Consulting Services

The Firm may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include tax-related and other non-investment related matters). These services include, but are not limited to, the business planning, investments, insurance, and estate planning needs of the client.

In performing its services, the Firm shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The Firm may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Firm recommends its own services. The client is under no obligation to act upon any of the recommendations made by the Firm under a financial planning / consulting engagement and/or engage the services of any such recommended professional, including the Firm itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Firm's recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's previous recommendations and/or services.

## Investment Management Services

---

The Firm can also be engaged to manage all or a portion of a client's assets on a discretionary or non-discretionary basis.

The Firm intends to primarily allocate its client's investment management assets on a discretionary basis among *Independent Managers*, mutual funds, exchange traded funds, individual debt and equity securities and/or options in accordance with the investment objectives of the client. In addition, the Firm may recommend that clients that are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives. The Firm may also provide advice about any type of investment held in a client's portfolio.

The Firm also may render investment management services to clients relative to: variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, the Firm either directs or recommends the allocation of client assets among the various investment options that are available with the product. The client assets shall be maintained at the specific insurance company or custodian designated by the product.

It is the Firm's practice to tailor its advisory services to the individual needs of clients. The Firm will ensure that each client's investments are suitable for that client and consistent with their investment needs, goals, objectives and risk tolerance as well as any restrictions requested by the client.

Clients shall have the ability to impose reasonable restrictions on the management of their account, including the ability to instruct the Firm not to purchase certain securities or types of securities.

The Firm's clients are advised to promptly notify the Firm if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services.

## Use of Independent Managers

---

As mentioned above, the Firm recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) ("*Independent Manager(s)*"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the *Independent Manager(s)* shall be set forth in separate written agreements between (1) the client and the Firm; and (2) the Firm or client and the designated *Independent Manager(s)*. The Firm shall continue to render services to the client relative to the discretionary selection of *Independent Manager(s)* as well as the monitoring and review of account performance and client investment objectives, for which the Firm shall receive an annual advisory fee

which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager(s)*.

When selecting an *Independent Manager* for a client, the Firm shall review information about the *Independent Manager(s)* such as its disclosure brochure and/or material supplied by the *Independent Manager(s)* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that the Firm shall consider in recommending *Independent Manager(s)* include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager(s)*, together with the fees charged by the wrap fee program sponsor and corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, the Firm's investment advisory fee set forth below. The client may incur additional fees than those charged by the Firm, the designated *Independent Manager(s)*, wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian.

In addition to the Firm's written disclosure brochure, the client shall also receive the written disclosure brochure of the designated *Independent Manager(s)* and wrap fee program sponsor (if applicable). Certain *Independent Manager(s)* may impose more restrictive account requirements and varying billing practices than the Firm. In such instances, the Firm may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Manager(s)* or wrap fee program sponsor.

If the Firm refers a client to certain *Independent Manager(s)* where the Firm's compensation is included in the advisory fee charged by such *Independent Manager(s)* and the client engages those *Independent Manager(s)*, the Firm shall be compensated for its services by receipt of a fee to be paid directly by the *Independent Manager(s)* to the Firm in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee shall be paid solely from the *Independent Manager(s)* investment management fee or the program fee of the wrap fee program (as appropriate), and shall not result in any additional charge to the client.

### **Sponsor and Manager of Wrap Program**

The Firm is the sponsor and manager of the DB & C Wrap Program (the "Program"), a wrap fee program. In the event the client participates in the *Program*, the Firm shall provide its investment management services and arrange for brokerage transactions under a single annualized fee. For participants in the *Program*, the Firm shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Firm that generally includes all commissions or transaction fees which otherwise would be incurred by the client. Participants in the *Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the *Program's* terms and conditions (including fees) are contained in the *Program's* wrap fee brochure.

## DB & C Advisors, LLC Disclosure Brochure

There are no material differences between the Firm managed wrap accounts and other accounts. The wrap relationship exists primarily because of the preference of some clients to not be subject to separate transaction charges.

## Item 5. Fees and Compensation

The Firm, depending upon the engagement, offers its services on a fee basis which may include hourly fees as well as fees based upon assets under management. Alternatively, certain of the Firm's advisory affiliates ("*Advisory Affiliates*") may offer securities brokerage services and insurance products under a commission arrangement, which may be used to offset the Firm's fees (as discussed below).

### Financial Planning and Consulting Fees

---

The Firm will charge an hourly fee for financial planning and consulting services. These fees are negotiable, but are generally \$220 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, the Firm may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging the Firm to provide financial planning and/or consulting services, the client will generally be required to enter into a written agreement with the Firm setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to the Firm commencing services. Generally, the Firm requires one-half of the financial planning / consulting fee (estimated hourly) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services. Such services will be completed within six (6) months. All financial planning and/or consulting services are provided on a project basis. Once the Firm is engaged for these services by the client, the project cannot be terminated. Therefore, the Firm will complete the project and no refunds will be provided. However, if termination occurs within five business days of entering into an agreement for such services the client will be entitled to a full refund.

### Investment Management and Wealth Management Fee

---

In the event the client determines to engage the Firm to provide investment management services, the Firm shall do so on a fee basis. If engaged, the Firm shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Firm. The Firm's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, the Firm shall not receive any portion of these commissions, fees, and costs. The Firm's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets being managed by the Firm on the last day of the previous quarter. The annual fee shall vary (between 0.50% and 2.25%) depending upon the market value of the assets under management, the type of investment management services to be rendered, the



amount of time anticipated to be devoted to the account, number of accounts in the household, and various other factors.

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

### **Fees Charged by Financial Institution**

---

As further discussed in response to Item 12 (below), the Firm shall generally recommend that clients utilize the brokerage and clearing services of LPL Financial ("*LPL*") for investment management accounts.

The Firm may only implement its investment management recommendations after the client has arranged for and furnished the Firm with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, *LPL*, any other broker-dealer recommended by the Firm, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institution(s)*").

Clients may incur certain charges imposed by the *Financial Institution(s)* and other third parties such as fees charged by *Independent Managers*, custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee.

The Firm's *Agreement* and/or the separate agreement with the *Financial Institution(s)* may authorize the Firm through the *Financial Institution(s)* to debit the client's account for the amount of the Firm's fee and to directly remit that management fee to the Firm. The *Financial Institution(s)* recommended by the Firm have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Firm.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the first period's fees shall be calculated on a *pro rata*, daily basis. The *Agreement* between the Firm and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. The Firm's annual fee shall be prorated through the date of termination and shall be refunded to the client on a *pro rata* basis, based on the number of days remaining in the quarter, in a timely manner.

Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. The Firm may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Clients may make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate an account. Clients may withdraw account assets on notice to the Firm, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the Firm's fee. This includes deposits of no-load and load-waived mutual funds, equities, fixed income, CDs, load mutual funds, hedge funds, managed futures, REITs, structured products, options and any other securities approved for investment in the client's account.

### **Commissions or Sales Charges for Recommendations of Securities**

---

In the event the client desires, the client can engage certain persons associated with the Firm (but not the Firm) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with the Firm. Under this arrangement, the client may implement securities transactions through certain of the Firm's *Advisory Affiliates*, in their respective individual capacities as registered representatives of *LPL*, an SEC registered broker-dealer and member of the FINRA. Brokerage commissions may be charged by *LPL* to effect these securities transactions and thereafter, a portion of these commissions may be paid by *LPL* to such *Advisory Affiliates*. Prior to effecting any transactions, the client will be required to enter into a new account agreement with *LPL*. The brokerage commissions charged by *LPL* may be higher or lower than those charged by other broker-dealers. In addition, certain of the Firm's *Advisory Affiliates* (as applicable), may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

While the Firm does not sell such securities products to its investment advisory clients, the Firm does permit its *Advisory Affiliates*, in their individual capacities as registered representatives of *LPL*, to sell securities products to its investment advisory clients. A conflict of interest exists to the extent that the Firm recommends the purchase of securities where the Firm's *Advisory Affiliates* receive commissions or other additional compensation as a result of the Firm's recommendations. The Firm has procedures in place to ensure that any recommendations made by such *Advisory Affiliates* are in the best interest of clients regardless of any additional compensation earned.

For accounts covered by ERISA (and such others that the Firm, in its sole discretion deems appropriate), the Firm shall provide its investment advisory services on a fee-offset basis. In this scenario, the Firm may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's *Advisory Affiliates* in their individual capacities as registered representatives of *LPL*.

The Firm's *Advisory Affiliates* currently devote less than five percent (5%) of their time to commission securities brokerage business.

### **Fees for Third Party Administrator Services**

---

Certain of the Firm's *Supervised Persons*, in their individual capacities, are also employees of DeBoer, Baumann & Co, PLC ("*DeBoer*"), a related Certified Public Accountant (described in more detail below) which may act as a Third Party Administrator ("TPA") to employee benefit plans covered by ERISA. TPAs typically receive compensation for administrative services, disclosed to the plan sponsor and participants in accordance with ERISA Section 408(b)(2) and Section 404(a)(5). Each plan sponsor is provided with a written description of the Firm's fiduciary status, the specific services to be rendered, and all direct and indirect compensation the Firm reasonably expects under the engagement requirements. A conflict of interest exists to the extent that the Firm engages *Supervised Persons* as TPAs where the Firm's *Supervised Persons* receive additional compensation.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

The Firm does not provide any services for performance based fees. Performance based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

### Item 7. Types of Clients

The Firm provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

#### **Minimums Imposed By Independent Managers**

---

The Firm does not impose a minimum portfolio size or minimum annual fee. As stated above, however, certain *Independent Manager(s)* may impose more restrictive account requirements and varying billing practices than the Firm. In such instances, the Firm may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Manager(s)* or wrap fee program sponsor.

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

The Firm's primary methods of analysis are fundamental, technical and cyclical analysis.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. The Firm will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that the Firm will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that the Firm is recommending. The risks with cyclical analysis are similar to those of technical analysis.

#### Options

The Firm may recommend the use of options for certain clients. Options allow the Firm to hedge (limit) certain losses on positions clients hold. The option allows the Firm to buy or sell a security at a certain price (not the current market price). Clients pay a fee for the option. If the option falls outside the money (i.e., the market price of the security does not justify purchasing/selling the security at the option price), the client will lose the fee for that option.

#### Market Risks

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

#### Use of Independent Manager(s)

As stated above, the Firm may recommend the use of *Independent Manager(s)* for certain clients. The Firm will continue to do ongoing due diligence of such managers, but the such recommendations rely, to a great extent, on the *Independent Manager(s)* ability to successfully implement their investment strategy.

In addition, the Firm does not have the ability to supervise the *Independent Manager(s)* on a day-to-day basis, if at all.

### **Use of Private Collective Investment Vehicles**

---

The Firm may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called “hedge funds”). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there may be an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

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

### **Item 9. Disciplinary Information**

The Firm is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. The Firm does not have any required disclosures to this Item.



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

The Firm is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. The Firm has described such relationships and arrangements, below.

#### Receipt of Securities Commission

---

As described above in response to Item 5, certain *Advisory Affiliates* of the Firm are registered representatives of LPL Financial. In such capacity, those *Advisory Affiliates* may receive commissions for recommending the purchase or sale of securities. In addition, as a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about the Firm's clients, even if the client does not establish any account through LPL. Any client that would like a copy of the LPL Financial privacy policy can contact the Firm at the contact information on the cover page of this brochure.

The Firm's *Advisory Affiliates* currently devote less than five percent (5%) of their time to securities sales.

#### Receipt of Insurance Commission

---

Certain of the Firm's *Advisory Affiliates*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While the Firm does not sell such insurance products to its investment advisory clients, the Firm does permit its *Advisory Affiliates*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where the Firm's *Advisory Affiliates* receive insurance commissions or other additional compensation. The Firm's *Advisory Affiliates* currently devote less than five percent (5%) of their time to insurance sales.

#### Referrals to Related Certified Public Accountants

The Firm does not render accounting advice or tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, the Firm, if requested, will recommend the services of a Certified Public Accountant, all of which services shall be rendered independent of the Firm pursuant to a separate agreement between the client and the Certified Public Accountant. The Firm shall not receive any of the fees charged by any recommended Certified Public Accountant, referral or otherwise. Specifically, certain of the individual members of the Firm, are also principals of *DeBoer*, a Certified Public Accounting firm located in the same principal office building as the Firm.

In addition, certain members of the Firm provide pension consulting services through *DeBoer*. This may include consulting with clients on the recommended structure and service providers to be utilized by pension and profit sharing plans.

It is also expected that these members of the Firm, solely incidental to their respective practices as Certified Public Accountants with *DeBoer* shall recommend the Firm's services to certain *DeBoer* clients. A conflict of interest exists due to this relationship even though the Firm does not specifically receive referral fees.

### **Fees from Independent Managers**

As discussed above, the Firm recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain *Independent Manager(s)*. In certain circumstances the Firm's compensation is included in the advisory fee charged by such *Independent Manager(s)*. There may be a conflict of interest to choose such *Independent Manager(s)*.

### Item 11. Code of Ethics

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

The Firm has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). The Firm's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its associated persons. The *Code of Ethics* also requires that certain of the Firm's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

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

### Item 12. Brokerage Practices

As discussed above, in Item 5, the Firm shall generally recommend that clients utilize the brokerage and clearing services of *LPL*.

Factors which the Firm considers in recommending *LPL* or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. *LPL* enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *LPL* may be higher or lower than those charged by other broker-dealers.

The commissions paid by the Firm's clients shall comply with the Firm's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests the Firm to arrange for the execution of securities brokerage transactions for the client's account, the Firm shall direct such transactions through broker-dealers that the Firm reasonably believes will provide best execution. The Firm shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

The client may direct the Firm in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by the Firm (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Firm may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable

commission rates, or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Firm's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's *Advisory Affiliate(s)* may invest, the Firm shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. The Firm shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist the Firm in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because the Firm does not have to produce or pay for the products or services.

### **Commissions or Sales Charges for Recommendations of Securities**

---

As discussed above, certain *Advisory Affiliates* in their respective individual capacities, are registered representatives of *LPL*. These *Advisory Affiliates* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *LPL* provides written consent. Therefore, clients are advised that certain *Advisory Affiliates* may be restricted to conducting securities transactions through *LPL* unless they first secure written consent from *LPL* to execute securities transactions through a different broker-dealer. Absent such written consent or

separation from *LPL*, these *Advisory Affiliates* are prohibited from executing securities transactions through any broker-dealer other than *LPL* under *LPL*'s internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

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

The Firm may receive the following benefits from *LPL*: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its registered investment advisor group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Clients should be aware that the Firm's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another broker-dealer that does not furnish similar services.

### Item 13. Review of Accounts

For those clients to whom the Firm provides investment management services, the Firm monitors those portfolios as part of an ongoing process; however, regular account reviews are conducted on at least a quarterly basis. For those clients to whom the Firm provides standalone financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by Daniel O’Mealey and any other investment adviser representatives of the Firm in order to ensure that the client’s objectives are being met. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Firm and to keep the Firm informed of any changes thereto. The Firm shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

Those clients to whom the Firm provides financial planning and/or consulting services will receive reports from the Firm summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by the Firm.

### Item 14. Client Referrals and Other Compensation

#### Other Economic Benefits

---

The Firm is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is already disclosed in response to Item 12, above.

#### Client Referrals

---

In addition, the Firm is required to disclose any direct or indirect compensation that it provides for client referrals. The Firm does not provide any compensation for client referrals.



### Item 15. Custody

As discussed above, the Firm's *Agreement* and/or the separate agreement with the *Financial Institution(s)* may authorize the Firm through the *Financial Institution(s)* to debit the client's account for the amount of the Firm's fee and to directly remit that management fee to the Firm in accordance with applicable custody rules. The *Financial Institution(s)* recommended by the Firm have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Firm. Clients should carefully review the statements sent directly by the *Financial Institution(s)*.

### Item 16. Investment Discretion

The Firm is typically given the authority to exercise discretion on behalf of clients. The Firm is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. The Firm is given this authority through a power-of-attorney included in the agreement between the Firm and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). The Firm takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Manager(s)* to be hired or fired.

## **Item 17. Voting Client Securities**

The Firm is required to disclose if it accepts authority to vote client securities. The Firm does not vote client securities on behalf of its clients.

### **Item 18. Financial Information**

The Firm does not require or solicit the prepayment of more than \$1,200 in fees, six months or more in advance. In addition, the Firm is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. The Firm has no disclosures pursuant to this Item.

**DB & C Advisors, LLC**

*a Registered Investment Adviser*

355 Settlers Road, Suite 310  
Holland, MI 49423

(616) 355-3455

[www.dbc-advisors.com](http://www.dbc-advisors.com)