

**Part 2A of Form ADV: Firm Brochure**

**Item 1 Cover Page**

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**This Brochure provides information about the qualifications and business practices of Kovalcik & Geraghty Wealth Partners LLP ("KGWP"). If you have any questions about the contents of this Brochure, please contact us at 614.222.4888. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

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

## **Item 2 Material Changes**

This is Kovalcik & Geraghty Wealth Partners LLP's ("KGWP") March 2019 Form ADV Part 2A Firm Brochure ("Brochure"), which sets forth certain information required to be provided and prepared according to the SEC's requirements and rules. KGWP has had no material changes since their last update filed in March, 2018.

Future filings will address "material changes" since the date of this filing concerning KGWP. Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year-end.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, KGWP's Brochure may be requested by contacting Stephen P. Geraghty, Chief Compliance Officer, at 614.222.4888 or sgeraghty@kgwp.com.

Additional information about KGWP is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with KGWP who are registered, or are required to be registered, as investment adviser representatives of KGWP.

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#### **Item 4 Advisory Business**

KGWP was formed in February 2005 by Matthew G. Kovalcik and Stephen P. Geraghty, who are the firm's Principals and Investment Adviser Representatives. Stephen P. Geraghty also serves as the firm's Chief Compliance Officer. The Adviser provides financial planning services and portfolio management for clients through discretionary and non-discretionary accounts for a percentage of assets under management and/or on an hourly or fixed-fee basis, as applicable. The Adviser focuses primarily on high-net-worth individuals, most of whom are retired or current corporate executives.

The Adviser is an independent registered investment adviser specializing in helping individuals and businesses achieve financial stability, growth and independence. The firm works to help clients achieve these goals through sound financial management. It fully commits its expertise and objectivity to help clients plan for family needs, create strategies for charitable giving, and map a course for preserving their wealth and building a legacy.

Advice is tailored to the individual client's needs through interviews, the collection of important information, and detailed financial planning, as applicable. KGWP utilizes the services of Raymond James Financial Services, Inc. ("RJFS"), a registered broker-dealer, to execute brokerage trades for clients and to serve as custodian of clients' funds and securities. KGWP and its principals are not affiliated with RJFS and are not registered representatives of RJFS and do not receive any commissions or fees for recommending these services.

As of December 31, 2018 the Adviser had the following in assets under management:

|                   |               |                        |
|-------------------|---------------|------------------------|
| Discretionary     | Accounts: 513 | Assets: \$ 115,953,262 |
| Non-Discretionary | Accounts: 38  | Assets: \$ 2,728,769   |
| Total             | Accounts: 551 | Assets: \$ 118,682,031 |

#### **Types of Services**

##### **Financial Planning**

KGWP offers financial planning services, which begins by identifying goals in three core areas: family, charitable and career. Once the Adviser fully understands the qualitative aspects of the client's plan, a review of the client's current financial situation is completed. Clients understand that when KGWP is engaged to address only certain components, the clients' overall financial and investment issues may not be taken into consideration.

The financial plan may include both long and short-term considerations, depending upon the individual scenario. Upon completion, a plan is presented to the client. At this meeting, the client is provided with recommendations that are deemed to be compatible with the client's stated goals and objectives. An implementation schedule is reviewed with the client to determine which steps will be pursued, and with whom the steps may be accomplished. The client is under no obligation to utilize additional services of KGWP and its representatives and is under no obligation to implement the advice or the plan. Clients may choose all or certain components of the advice and recommendations and can implement the recommendations through the service providers of their choice.

## **Investment Advisory Services**

KGWP provides investment advisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through financial planning goals and objectives are established upon which KGWP develops a client's personal investment policy and creates and manages a portfolio based on that policy. KGWP will manage a client's advisory account on either a discretionary or a non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income, and capital preservation, etc.). If the client has elected not to engage KGWP for financial planning services but requires investment management assistance, the initial step in the advisory process involves a meeting with the client for the purpose of defining the scope of the relationship. Once defined, the client and KGWP enter into a written agreement. Upon entering into the agreement, a KGWP representative requests from the client, and reviews, all necessary financial information. This may include information on assets, liabilities, income and expenses, tax returns and personal and family obligations. In addition, the client will be requested to provide financial goals and objectives, both long and short term. Based on this review, appropriate investment vehicles will be proposed to the client and a personal investment policy will be created for the client.

## **General Characteristics and Restrictions**

Advisory recommendations are based on the clients' financial situation at the time the services are provided and are based on financial information disclosed by you. We incorporate information about trends and performance of securities, the market and the economy into our recommendations, which are designed toward meeting your specific goals, objectives, and needs. Therefore, as your financial information and situation change, you must notify us promptly.

Our clients are allowed to impose restrictions on the investments in their account. We may accept any reasonable limitation or restriction placed by the client on our discretionary authority over the account. All limitations and restrictions placed on accounts must be presented to KGWP in writing.

KGWP may provide to you reports it prepares regarding your portfolio. You are encouraged to review these reports and compare them against reports received from the independent custodian that services your advisory account. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

## **Privacy Notice**

KGWP is a registered investment adviser committed to safeguarding your personal information. We are required to collect certain personal information about you in the normal course of doing business. This policy describes how we collect information about you, under what circumstances we may disclose the information to others, and how we safeguard your information in our possession.

### *Information We Collect*

We collect and use information about you in order to provide you with our financial products and services. We obtain most information directly from you when you open an account or purchase financial products or services through us. We may also obtain information about you from our representatives and their affiliated businesses, if any, and from third parties such as retirement plan sponsors or third-party administrators, mutual fund companies, insurance companies, your former broker-dealer or its registered representative, clearing firms, or others who provide you with financial products or services. This may include information such as your name, address, telephone number, social security number or other tax identification number, date of birth, assets, income, net worth, financial goals, occupation, beneficiary designations and other information from your application.

### *Information We Disclose*

We may disclose information about you, on a need to know basis, to our staff, affiliates, representatives, their affiliated businesses, and non-affiliated third parties who provide you with financial products and services. These non-affiliated third parties may include retirement plan sponsors or third-party administrators, mutual fund companies, insurance companies and agencies, other broker-dealers, third party money managers, and clearing firms.

Our privacy policy is the same for current, as well as former clients. Also, if you close your account, in the process of transferring your investments we may share your information with the new investment adviser or custodian that you or your representative selects. If our representative servicing your account leaves us to join another investment adviser, and the client chooses to continue that relationship, the representative may be permitted to retain copies of your information so that he or she can assist with the transfer of your account and continue to serve you at their new firm. The representative's continuing use of your information will be subject to the new firm's privacy policy. We may disclose information such as your name, address, social security number, date of birth, transactional information, or other financial information when necessary for us to provide you with financial products and services or report on your account, or where law prescribes disclosure. For example, we report your tax-related information to federal and state governments, and we may disclose information during the course of an audit or to law enforcement or regulatory agencies.

We do not disclose your information to non-affiliated companies who intend to market their products to you. However, we may share your personal information with companies that we hire to perform services for us, such as vendors that provide data processing and storage, computer software maintenance and development, transaction processing, or other administrative duties on an as needed basis only.

### *Securing Your Information*

We are committed to protecting the privacy and confidentiality of your personal information. Only those employees who need to have access to personal information to perform their jobs are authorized to use your personal information. They may need access to your personal information to conduct business on your behalf, service your account, help you pursue your financial objectives, and to conduct our business.

Employees who have access to your personal information are required to maintain and protect the confidentiality of that information and must follow established procedures. We maintain physical, electronic and procedural safeguards reasonably designed to protect your personal information and to comply with applicable laws and regulations.

### *Questions*

If you have questions about our privacy policy, please contact our Chief Compliance Officer. We appreciate your business and look forward to serving your financial service needs.

### **Business Continuity Plan**

KGWP's policy is to respond to a significant business disruption by safeguarding employees' lives and our property, making financial and operational assessments, quickly recovering and resuming operations, protecting all of our books and records, and allowing clients to transact business. In the event that we are unable to continue our business, clients will be given prompt access to their funds and securities. A detailed Business Continuity Plan will be made available to clients upon request.

## **Item 5 Fees and Compensation**

### **Financial Planning Fees**

KGWP offers financial planning services on an hourly or fixed-fee basis. A one-time fee for the construction of an initial comprehensive financial plan generally ranges from \$1,500 - \$7,500, depending on the complexity of the client's financial and personal situation and the depth of the analysis. Alternatively, KGWP may charge a \$275 hourly rate for such services. All financial planning fees are negotiated on a case-by-case basis and are agreed to, in writing, prior to the commencement of services. The decision to implement any recommendation rests exclusively with the client, and the client has no obligation to implement any such recommendations through KGWP.

KGWP's fee is exclusive of, and in addition to brokerage commissions, transaction and processing fees, and other related costs and expenses which shall be incurred by the client. However, KGWP shall not receive any portion of these commissions, fees, and costs.

One half of the total estimated fixed and hourly fees are due and payable at the time the client's agreement is executed, the remainder of the fees are due upon presentation of a plan. Financial plans will be presented to the clients within six (6) weeks of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the clients.

As stated previously, the hourly rate is \$275 per hour. In the event a client cancels the financial planning agreement under which any plan is being created, the client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate. Any surplus in our possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the client within five (5) business days of cancellation.

### **Asset-Based Investment Advisory Fees**

KGWP offers investment advisory services, which offers clients, on a discretionary basis (or non-discretionary, if the client chooses), the ability to pay an advisory fee on the assets in their account. There is a minimum investment of \$1,000,000 for this type of service, although smaller accounts may be accepted based upon the specific circumstances of an account. KGWP charges an asset-based advisory fee on a tiered based as follows:

#### Client Fee Schedule

| <u>Account Value</u> | <u>Annual Fee</u> |
|----------------------|-------------------|
| First \$1,000,000    | 1.25%             |
| Next \$4,000,000     | 0.50%             |
| Over \$5,000,000     | Negotiable        |

In arriving at the account value noted above, KGWP may aggregate the account value of each account in the family relationship. The annual asset-based fee is paid quarterly in advance, and the minimum quarterly fee is \$1,562.50. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. Client authorizes and directs the Custodian of the advisory account to deduct asset-based fees from the client's account. Client further authorizes and directs the Custodian to send a monthly (with fees deducted in the months of January, April, July, and October) statement to the client which shows all amounts disbursed from the account, including fees paid to KGWP. The brokerage/custodial statement will show the amount of the asset-based fee. Fees,

account minimums, and other circumstances may be negotiable and will be discussed prior to initiating the advisory service and will be stipulated in a written contract.

Additionally, there is a transaction fee charged by RJFS for the execution of each trade, which can be modified at RJFS' discretion, as follows:

| <b>Security Type</b>                    | <b>Transacting Fee</b>        |
|---|-------------------------------|
| Exchange Trade Equities: Listed and OTC | \$9.95                        |
| Closed-End Mutual Funds                 | \$9.95                        |
| Exchanged Traded Funds                  | \$9.95                        |
| Non NTF Mutual Funds                    | \$19.95                       |
| Unit Investment Trusts                  | \$9.95                        |
| Options Contracts                       | \$19.95 + \$1.00 per contract |
| Fixed Income                            | \$14.95                       |
| Prime Brokerage                         | \$25.00                       |

In addition to the foregoing transaction charge, the client will incur a nominal charge per transaction for handling and postage charges. The client may also incur charges for other account services provided by RJFS not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities. Also, see Item 12 Brokerage Practices for additional information.

Clients can purchase certain mutual funds without incurring a transaction fee. Select fund companies have agreed to pay administrative fees to RJFS or its affiliates in consideration for waiving the above transaction fee assessed on mutual fund purchases.

### **General Characteristics**

KGWP provides applicable disclosure brochures to clients and prospective clients more than 48 hours prior to entering into an advisory contract. In the event the disclosure brochure is not delivered until entry into the contract, the client may terminate the contract, in writing, with no penalty within five business days after entering into the contract. In the event of termination of this Agreement, KGWP will refund to the client the prorated portion of the fee for the quarter of termination.

Advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client to the Advisor. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As the client's financial situation, goals, objectives, or needs change, the client must notify KGWP promptly.

All fees paid to KGWP for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. KGWP generally recommends or invests client assets in no-load mutual funds. A client could invest in a mutual fund directly, without the services of KGWP. In that case, the client would not receive the services provided by KGWP which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by KGWP to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.



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

KGWP does not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance based fees). Our compensation structure is disclosed in detail in Item 5 above.

## **Item 7 Types of Clients**

The Adviser has the following types of clients:

- Individuals
- High-net worth individuals
- Donor-advised funds

KGWP has a minimum account relationship of \$1,000,000. Accounts below the \$1,000,000 threshold may be accepted on a negotiated basis. In arriving at the relationship threshold, KGWP may aggregate the value of each account in a family relationship.

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

### Methods of Analysis

KGWP uses the following methods of analysis in managing its client accounts:

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

**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

**Cyclical Analysis** – a type of technical analysis that involves evaluating recurring price patterns and trends.

### Risks of Methods of Analysis

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

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

**Cyclical Analysis** - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### Investment Strategies

Our investment strategies include long-term (securities held at least a year) and short-term (securities sold within a year) buy and hold, and option strategies. We also may conduct short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine it is suitable given your stated investment objectives and tolerance for risk. We also may utilize margin transactions that may result in interest charges, as well as other fees and expenses associated with the security or account involved. By its nature, financial planning looks to the long term. After KGWP makes sure clients' short-term cash needs, emergency funds, and insurance coverage needs are satisfied, we design investment strategies to help our clients achieve their financial goals.

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

### Types of Securities and Investments

We recommend and give advice on a variety of securities and investments. These include stocks, bonds (U.S., corporate and municipal), certificates of deposits, mutual funds, options, and pooled investment vehicles. We recommend investments, as appropriate, for you since each client has different needs and different tolerance for risk.

Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it. Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. KGWP tends to choose the High Cost In, First Out accounting method with the custodian for calculating the cost basis of your investments most often. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### Sources of Information

Our main sources of information on which we base investment advice includes financial newspapers and magazines, inspections of corporate activities, corporate press releases, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the Securities and Exchange Commission. We may also utilize computer systems to analyze securities.

### Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. It should not be assumed that recommendations will be profitable and past performance is in no way an indication of future performance.

Clients investing in securities should be aware of the risks involved. Each investment strategy may entail unique risks including the possibility of incurring a loss. In a long-term investment strategy, returns may be adversely affected by market downturns or inflation. A short-term investment strategy is susceptible to current market volatility.

**Item 9 Disciplinary Information**

We are obligated to disclose any legal, financial, or other disciplinary event that would be material to you when evaluating us to initiate a client/adviser relationship, or to continue such a relationship with us. KGWP and its management persons do not have any legal, financial or other “disciplinary” items that are required to be reported.

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

Neither KGWP nor any of its management persons are registered, or has an application pending to register as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

In addition, neither KGWP nor its employees have any arrangement that is material to its advisory business or to clients with an affiliated person that is a:

- Broker-dealer,
- Municipal securities dealer,
- Government securities dealer or broker
- Investment company or pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant, commodity pool operator or commodity trading advisor,
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships

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

KGWP has adopted a written Code of Ethics in compliance with SEC rule 204A-1. This Code sets forth standards of conduct and requires compliance with federal and state securities laws. The Investment Advisers Act imposes a fiduciary duty on investment advisers. As a fiduciary, KGWP has a duty to act with utmost good faith and in the best interests of each of our clients. Clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying our Code of Ethics and Personal Trading Policy, and represents the expected basis of all of our dealings with our clients.

The Code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. Every year all employees of the firm must review and sign the Firm's Ethics and Insider Trading Policy which includes information on Business Ethics, Insider Trading and Privacy.

KGWP's Code of Ethics and Insider Trading policies and procedures are designed to ensure that our personnel (1) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (2) at all times place the interests of our clients first; (3) disclose all actual or potential conflicts; (4) adhere to the highest standards of loyalty, candor and care in all matters relating to our clients; (5) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (6) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Code, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

We recognize that the personal securities transactions of our employees demand the application of a high code of ethics, and we require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, KGWP believes that if investment goals are similar for clients and for our employees, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, we have adopted a set of procedures, included in our Code of Ethics and Personal Trading Policy, with respect to transactions effected by our officers, directors and employees (collectively, "Employees") for their personal accounts. In order to monitor compliance with our personal trading policy, we have adopted a quarterly securities transaction reporting system for all Employees. For purposes of the policy, a "personal account" generally includes any account (a) in the name of the Employees, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including KGWP's client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

A copy of our Code of Ethics will be provided to clients or perspective clients upon their written or verbal request.

## Item 12 Brokerage Practices

The Adviser does not have any soft dollar arrangements.

KGWP recommends that clients establish brokerage accounts with RJFS, a registered broker-dealer, to maintain custody of clients' assets and to effect trades in their accounts. RJFS' services include brokerage, custody, research, and access to mutual funds and other investments that may otherwise generally be available only to institutional investors or would require a significantly higher minimum initial investment. RJFS may have its own fee and cost schedules it is entitled to as Custodian of the account. These fees and costs are completely independent of the Adviser, and the Adviser does not receive any portion of these collected costs. Neither RJFS nor its affiliates refer clients to KGWP.

The client may incur charges for other account services provided by the Custodian not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

RJFS may make available to KGWP other products and services that benefit KGWP but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from clients' accounts, and assist with back-office functions, recordkeeping and client reporting.

Transactions for each client account generally will be effected independently, unless KGWP decides to purchase or sell the same securities for several clients at approximately the same time. KGWP may, but is not obligated to, combine or "batch" such orders to obtain "best execution", to negotiate more favorable transaction or commission rates or to allocate equitably among 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 be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that KGWP determines to aggregate client orders for the purchase or sale of securities, including securities in which KGWP's principals and/or associated persons may invest, KGWP shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. KGWP shall not receive any additional compensation or remuneration as a result of the aggregation.

As part of its duties to its clients, KGWP and its associated persons endeavor at all times to put the interest of the clients first.



### **Item 13 Review of Accounts**

Monthly and quarterly updates and reviews are conducted in order to determine if the positions held are consistent with the investment objectives of the client. Reviews and meetings held at least once a year can be triggered by a client request, changes affecting investments, changes affecting objectives of the client or changes in the clients' financial condition. Matthew G. Kovalcik, CFP®, and Stephen P. Geraghty, CFP®, Principals of KGWP, perform the regular reviews of the accounts over which they are the investment adviser representative.

Most clients receive monthly statements from the account custodian. However, a few clients may receive monthly statements only if there is activity, such as a purchase, sale, or dividend. If there is no activity, then a statement is generated on a quarterly basis. Additionally, a report is provided during a review meeting and normally includes investment review, performance review, and continuing objectives pre- and post- investment tax planning. Review meetings will normally occur semi-annually; however, a client may request a review anytime during the year or we may recommend an additional review and reports will be provided during such meetings.

This custodial statement contains the cash balance, type, name and amount of each security, the current market value of each security, account activity for the period, and the unrealized gain or loss of each security. The client also receives a confirmation of each transaction from RJFS. Clients are encouraged to review all reports received from RJFS and KGWP and report any discrepancy noted among the reports to KGWP's Chief Compliance Officer.

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

KGWP does not pay for or receive compensation for client referrals.

We have established relationships with qualified CPAs and attorneys both locally and throughout the country. For clients who do not have an existing tax or legal advisor, we offer the option of partnering with one or more of these firms. In many cases, we have negotiated reduced prices for our clients when working with them. These CPAs and attorneys have on occasion referred clients to us for advisory services. KGWP does not pay or receive any economic benefits related to these partnering arrangements.

Mr. Kovalcik and Mr. Geraghty do not receive any economic benefit or compensation for providing advisory services from any third party. As part of its duties to its clients, KGWP and its associated persons endeavor at all times to put the interest of the clients first.

**Item 15 Custody**

KGWP does not have custody of client's funds or securities; however, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. The custodian will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us.

## **Item 16 Investment Discretion**

KGWP manages advisory accounts on a discretionary and non-discretionary basis. In order to manage accounts on a discretionary basis, clients provide KGWP, in writing, the authority to determine without obtaining specific client consent, the securities to be bought and sold and/or the amount of securities to be bought or sold. A client may by written advice prohibit the purchase or sale of specific securities or classes of securities.

In managing investment portfolios, KGWP acts in a manner in keeping with what it understands and believes to be the best interests of the client.

**Item 17 Voting Client Securities**

KGWP does not vote proxies for investment clients. The proxies are delivered to the clients from the custodian.

**Item 18 Financial Information**

The Adviser does not have custody of client's assets. KGWP does not solicit payments of \$1,200 per client or more six (6) months in advance for services. The Adviser has not been subject to bankruptcy and knows of no reason that its financial condition would be impaired in meeting its contractual obligations to clients.

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

KGWP is an SEC-registered adviser so this section is not applicable.