



# Part 2A of Form ADV: Firm Brochure

March 27, 2019 | FIRM CONTACT: Gabriella A. Richard, Chief Compliance Officer

## ITEM 1 - COVER PAGE FOR PART 2A OF FORM ADV: FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Blue Water Wealth, Inc. D/B/A Blue Water Wealth, and BWW. If you have any questions about the contents of this brochure, please contact us by telephone at (503) 296-8700 or email [compliance@bluewaterwealth.com](mailto:compliance@bluewaterwealth.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.

Additional information about Blue Water Wealth also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for CRD#164432.

Please note that the use of the term "registered investment adviser" and description of Blue Water Wealth and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## ITEM 2 - MATERIAL CHANGES TO OUR PART 2A OF FORM ADV: FIRM BROCHURE

Blue Water Wealth 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.

Since our last annual amendment filing on March 9, 2018, we have the following material changes to report:

- We are now registered with the SEC;
- We have lowered the minimum account balance for our CAMP accounts to \$1,000.

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## ITEM 4 - ADVISORY BUSINESS

Our firm is a corporation formed in the State of Oregon. Our firm has been in business as an investment adviser since 2012 and is 100% owned by Nancy L. Congdon.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### A. Types of Advisory Services

#### Financial Planning:

We provide a variety of financial planning services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan for clients based on the client's financial goals and objectives. This planning may encompass one, or more, of the following areas:

- Cash Flows;
- Cash Revenues;
- Protection Planning;
- Goal Funding;
- Tax Mitigation Strategies;
- Retirement Planning;
- Executive Compensation Optimization;
- Stock Option Analysis;
- Retirement Income Planning;
- Wealth Management;
- Estate Planning;
- Multi-Generational Planning;
- Charitable Giving;
- Estate Settlement.

Our written financial plans 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 without any type compensation being paid to our firm. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. Plans are completed within six (6) months of the client signing a contract 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.

We charge on a flat fee basis for financial planning services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our annual engagement with you.

Flat fees generally range from \$1,200 to \$25,000. We collect 100% of the planning fee at the start of our relationship. Financial planning fees will be automatically billed on an annual basis.

The fee will be determined through the firm's Fee Complexity Worksheet. Our firm will evaluate the following to determine an appropriate fee:

- Net worth;
- Investable assets;
- Income;
- Liabilities;
- Cash reserves;
- Retirement;
- Education;
- Other.

The items on the Fee Complexity Worksheet help us determine different areas where a client has low, medium, or high complexity. We then look at if overall a client's complexity factors fall into a low, medium, or high range. A client with all low complexity factors will have their fee fall towards the low end of the fee scale. A client who is generally half medium and half low would have their fee fall on the high end of low complexity and the low end of the medium complexity. We walk clients through the form so they can understand the factors that affect the fee.

Financial plans will be rendered within 6 (six) months. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

Coordinated Asset Management Program (CAMP):

We emphasize continuous and regular account supervision. As part of our CAMP service, a portfolio will be created by our in house and/or outside independent money managers, consisting of individual stocks or bonds, exchange traded funds ("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. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least semi-annually and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For any assets under management, the fees will range between 0.75% to 1.50%. Our fee will vary depending on the size of the account. Fees will be deducted from client account(s). Our firm does not offer direct billing. Our firm's fees are billed on a pro-rata annualized basis and in one of four ways:

- 1) Monthly in arrears based on the value of your account on the last day of the previous month;
- 2) Quarterly in arrears based on the value of the account on the last day of the previous quarter;
- 3) Monthly in advance based on the value of your account on the last day of the previous month;
- 4) Quarterly in advance based on the value of your account on the last day of the previous quarter.

The billing schedule is determined by the outside money managers and/or platform you decide to engage. The outside money managers will pay us a portion of the investment advisory fee that they charge you for managing your account. The outside money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them. The outside money managers establish and maintain their own separate billing processes over which we have no control. They will directly bill you and describe how this works in their separate written disclosure documents.

Please be aware that similar services may be offered by another adviser at a lower fee.

**B. Tailoring of Advisory Services**

We provide individually tailored comprehensive financial plans to all of our clients. Client accounts in CAMP will be tailored to the client's needs.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions of certain investments may not be possible due to the level of difficulty this would entail in managing the account.

**C. Participation in Wrap Fee Programs**

Management of assets will be provided through our Coordinated Asset Management Program (CAMP). Our CAMP service has an all-inclusive option that may be managed on a wrap fee basis. Please see our CAMP Brochure for details about our bundled fee option and other important disclosures.

**D. Assets under Management**

As of December 31, 2018, our firm manages \$150,440,550 on a discretionary basis and \$4,745,000 on a non-discretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

We are required to describe our brokerage, custody, fees, and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you.

**A. Compensation for Advisory Services**

Please see Item 4 of this Brochure for details about how we are compensated for our advisory services. Our fees are generally negotiable.

**B. Other Fees and Expenses**

CAMP clients may pay custodial fees and/or 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 and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the fee you are charged by our firm.

Clients may elect an inclusive fee, which will be detailed and agreed upon in the CAMP Agreement. Inclusive fees consist of our advisory fees, custodial and transactional fees in your account(s) as well as the fees of independent manager(s).

**C. Refunds following Termination of Advisory Contract**

If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel the advisory agreement. Upon receipt of your letter of termination, we will proceed to process a pro-rata refund of unearned advisory

fees.

The majority of our financial planning services are considered rendered upon delivery of your financial plan document. Given this fact, any refunds after delivery of your financial plan will be nominal.

If the Client does not receive our brochure and brochure supplements at least forty-eight (48) hours prior to entering into an agreement, the Client has the right to terminate our services without penalty within five (5) business days of entering into the agreement.

#### **D. Commissionable Securities Sales**

In non-advisory accounts we execute commissionable products transactions. We may also install investment vehicles on which commissions may be earned. In order to effect such transactions, our supervised persons are registered representatives of Cambridge Investment Research, Inc., member FINRA/SIPC. We may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds (except for assets regulated by ERISA). You should be aware that the practice of accepting commissions for the sale of securities:

- 1) Presents a conflict of interest and gives us an incentive to recommend investment products based on the compensation received.
- 2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents who are not affiliated with us.

### **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge performance fees to our clients.

### **ITEM 7 - TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS**

#### **A. Types of Clients**

We provide investment advisory services to Individuals and High Net Worth Individuals.

#### **B. Account Requirements**

We impose the following requirement(s) to open or maintain an account:

- The minimum account balance for our CAMP service is \$1,000.
- We charge a minimum fee of \$1,200 for written financial plans.



## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### A. Methods of Analysis

Methods of Analysis such as charting, fundamental, technical, or cyclical may be used by the independent managers we help select for our client in our Coordinated Asset Management Program. Please refer the disclosure brochures of these independent managers for more information.

### B. Investment Strategies

- Long term purchases (securities held at least a year);
- ESG and SRI investing;
- Active management.

### C. Risk of Loss

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

#### Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

#### Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

#### Financial Risk

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many

of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

#### Higher Trading Costs

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

#### Inflation Risk

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

#### Interest Rate Risk

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

#### Legal/Regulatory Risk

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

#### Liquidity Risk

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

#### Market Risk

The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g. earnings disappointment or downgrade in the rating of a bond) or

general market risk (e.g. such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

#### Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

#### Past Performance

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

#### Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

While we seek to take advantage of investment opportunities for our clients that will seek to balance investment returns with the risk of loss, there is no guarantee that such opportunities will ultimately benefit our client. We will change client portfolios in response to market conditions that are unpredictable and may expose our client to greater market risk than seen in previous market cycles. There is no assurance that our investment strategy will enable our client to achieve their

investment objectives.

**D. Cash Balances in Client Accounts**

We generally invest client's cash balances in money market funds, 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 services related to asset management, as applicable.

**ITEM 9 - DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

**ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

**A. Registration as Broker Dealer Representatives**

Advisory representatives are registered representatives of Cambridge Investment Research, Inc., member FINRA/SIPC, and spend approximately 10% of their time with this activity. Our firm may offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation we may earn and may not necessarily be in the best interests of the client.

**B. Relationships Material to Our Advisory Business**

Advisory representatives of our firm are insurance agents/brokers and spend approximately 2% of their time with this activity. Our firm may offer insurance products and receive normal and customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation we may earn.

**C. Selection of Other Investment Advisers**

We recommend other investment advisers to our clients. This creates a conflict of interest as we may have an incentive to recommend a particular independent manager over another based on how advisory fees are split with our firm. In order to minimize this conflict of interest our firm always acts in the best interests of our clients when recommending another investment adviser to our clients.

We take every reasonable measure to ensure the independent managers recommended through our Coordinated Asset Management Program are properly licensed.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND 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 accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

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.

## ITEM 12 - BROKERAGE PRACTICES

Our firm has a custodial arrangement with Pershing, LLC through Pershing Advisor Solutions, LLC ("Pershing"). Pershing offers to independent investment advisers non-soft dollar services which include custody of securities, trade execution, clearance and settlement of transactions. All asset management through Blue Water Wealth Inc. is done through our Coordinated Asset Management Program. Pershing's fees are included in the advisory fee charged to you.

### A. Research and Other Soft Dollar Benefits

Pershing makes certain research and brokerage services available at no additional cost to our firm all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services include certain research and brokerage services, including research services obtained by Pershing directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Pershing to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Pershing to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed above for no additional cost, we may have an incentive to continue to use or expand the use of Pershing services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Pershing and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Pershing charges brokerage commissions and transaction fees for effecting certain securities transactions (e.g., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Pershing enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Pershing commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Pershing may be higher or lower than those charged by other custodians and

broker-dealers. We do not receive have any soft dollar relationships and do not direct client transactions to Pershing in return for soft dollar benefits.

**B. Brokerage for Client Referrals**

Our firm does not use client brokerage to compensate brokers for client referrals.

**C. Directed Brokerage**

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution or the commission rates at which such securities transactions are effected.

**D. Trade Aggregation and Allocation**

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives.

Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts.

## **ITEM 13 - REVIEW OF ACCOUNTS OR FINANCIAL PLANS**

We review accounts on at least a semi-annual basis. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only licensed individuals will conduct reviews.

Financial planning clients receive comprehensive, updated annual financial plans. Our financial advisors conduct these reviews in person, over the phone or via the internet. In addition, we meet with financial planning clients at least every 6 months to review issues pertinent to their financial plan.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. We periodically review independent managers' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients at least semi-annually in order to review your financial situation and objectives; communicate information to you or your independent managers as warranted; and, assist you in understanding and evaluating the services provided by the independent manager. You will be

expected to notify us of any changes in your financial situation, investment objectives, or account restrictions that could affect your account. You may also directly contact the independent manager managing the account.

## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

### A. Other Compensation Arrangements

We have no additional arrangements to disclose other than what is outlined in Item 12 of this Brochure. We may recommend that a client in need of brokerage and custodial services utilize Pershing, among others. It may be the case that the recommended broker charges a higher fee than another broker charges for a particular type of service, such as commission rates. Clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through such broker our firm recommends.

In selecting a broker/dealer, we will endeavor to select those broker/dealers that will provide the best services. The reasonableness of commission rates is based on several factors, including the broker/ dealer's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services; all factors in recommending a particular broker/dealer. When consistent with our firm's fiduciary duty of best execution, the firm will direct trades to the suggested broker/dealer listed above.

### B. Client Referrals

We do not pay referral fees to independent solicitors for the referral of their clients to our firm.

## ITEM 15 - CUSTODY

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

## ITEM 16 - INVESTMENT DISCRETION

We accept discretionary authority over client accounts managed through our CAMP service. Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account.



## ITEM 17 - VOTING CLIENT SECURITIES

We do 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

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.