

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**May 2019**



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**Firm Contact:**  
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**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of AAFCPAs Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at 508-366-9100 or email [ahammond@wealth.aafcpa.com](mailto:ahammond@wealth.aafcpa.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 AAFCPAs Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of AAFCPAs Wealth Management, LLC 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

AAFCPAs Wealth Management, LLC is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since the last annual amendment filed on 03/07/2018, the following changes have been made:

- In November 2018, Andrew Hammond took over the role of Chief Compliance Officer.
- Our firm has updated our AAFCPAs Wealth Management Robo – Automated Advisory Services to reflect billing in arrears instead of in advance. Please refer to Item 5 for additional information.

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## Item 4: Advisory Business

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a Limited Liability Company formed in the State of Massachusetts. Our firm has been in business since February 2001, and an investment adviser since 2012. Our firm is owned by Joel Aronson and Alexander, Aronson, Finning, & Co. P.C.

### **Advisory Services We Offer**

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#### **Asset Management:**

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, 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 quarterly 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.

#### **Pension Consulting:**

We provide pension consulting services to employer plan sponsors plan trustees on an one time/ongoing basis. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education. Pension Consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Investment Monitoring – Our firm will be available to monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility

In providing services for pension consulting, we do not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All pension consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are pension or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

**Financial Planning & Consulting:**

We provide a variety of financial planning and consulting services to individuals, families, non-profits, foundations 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 or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Cash Flow Analysis, Corporate and Personal Tax Planning, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within 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.

**AAFCPAs Wealth Management Robo – Automated Advisory Services:**

AAFCPAs Wealth Management Automated Managed Solution is a discretionary managed relationship powered by a relationship between AAFCPAs Wealth Management, LLC and Fidelity Investments. A Wealth Advisor with AAFCPAs Wealth Management, LLC will work 1 on 1 with an investor through eMoney to gather and analyze an investor's financial situation, goals, risk tolerance and investment preference. Client will then enroll on an eMoney portal to set up an account and invest the assets. The assets will be continually monitored and adjusted over time. The minimum to enroll in the service is \$100,000.

**Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing our firm's Asset Management services. Additionally, we offer general investment advice to clients utilizing our Financial Planning and Consulting, Pension Consulting and AAFCPAs Wealth Management Robo services. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management services. We do not manage assets through our other services.

## Participation in Wrap Fee Programs

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Our firm does not offer or sponsor a wrap fee program.

## Regulatory Assets Under Management

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As of December 31, 2018, we manage<sup>1</sup> \$144,900,000 on a discretionary basis and \$80,400,000 on a non-discretionary basis.

## Item 5: Fees & Compensation

### How We Are Compensated

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#### Asset Management:

For your benefit, we reserve the right to reduce the calculated fee based on the value of certain asset classes.

Assets Under Management	Annual Percentage of Assets Charge
\$0 – \$500,000	1.50%
\$500,001 – \$1,000,000	1.25%
\$1,000,001 – \$2,500,000	1.00%
\$2,500,001 – \$5,000,000	\$23,000 + 0.600% of the Amount Over \$2,500,000
\$5,000,001 – \$10,000,000	\$38,000 + 0.500% of the Amount Over \$5,000,000
\$10,000,001 – \$25,000,000	\$63,000 + 0.375% of the Amount Over \$10,000,000
\$25,000,001 – \$50,000,000	\$119,000 + 0.150% of the Amount Over \$25,000,000
\$50,000,001 +	Negotiable

Our firm assesses an annual advisory fee for asset management services. The advisory fee, which accrues daily, will be deducted quarterly in arrears from your account(s). Fees are negotiable at the sole discretion of the Advisor. Factors affecting the fees charged include the size of the account and complexity of asset structures. Furthermore, Legacy Clients will be offered a different rate based on the terms of previously executed agreements. Alternative payment arrangements, such as a check for the advisory fee are available. As part of this process, clients are made aware of the following:

- The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- Clients provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- If we send a copy of our invoice to the clients, it will include a legend urging the comparison of information provided in our statement with those from the qualified custodian.

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<sup>1</sup> Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "client assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

**Pension Consulting:**

We charge on an hourly or flat fee basis or fee based on the percentage of Plan assets under management for pension consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fee is \$300. Our flat fees generally range from \$750 to \$10,000. Flat fees will be charged annually for ongoing pension consulting services. Fees based on a percentage of managed Plan assets will not exceed 1.00%. The fee-paying arrangements for pension consulting service will be determined on a case-by-case basis and will be detailed in the signed Pension Consulting Agreement.

**Financial Planning & Consulting:**

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$350 for financial advisors, \$150 per hour for para-planners and \$75 for administrative time. Flat fees generally range from \$1,500 to \$10,000. We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

**Non Profits:**

Work with Non-Profit organization may be eligible for a 20% discount on our consulting and advisory services.

**AAFCPAs Wealth Management Robo – Automated Advisory Services:**

The annual fee charged for this service is 0.80% of the Chosen Accounts' assets under management. Clients utilizing the AAFCPAs Wealth Management Robo service will not incur trade, transaction or rebalancing fees. Our firm's advisory fee, which accrues daily, will be deducted quarterly in arrears from your account(s). Fees are negotiable at the sole discretion of the Advisor. Factors affecting the fees charged include the size of the account and complexity of asset structures. Furthermore, Legacy Clients will be offered a different rate based on the terms of previously executed agreements. Alternative payment arrangements, such as a check for the advisory fee are available. As part of this process, clients understand the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

**Other Fees:**

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also,

clients will pay the following separately incurred expenses, which we do not receive any part of: 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).

### **Termination & Refunds**

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Either party may terminate the advisory agreement signed with our firm for Asset Management services in writing at any time. Upon notice of termination pro-rata advisory fees for services rendered to the point of termination will be charged. For an account terminated intra-quarter, the fees will be based on the value of the account on the last day that our firm managed the account. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client.

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

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

### **Commissionable Securities Sales**

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We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

We do not charge performance fees to our clients.

## **Item 7: Types of Clients & Account Requirements**

Types of clients we typically manage accounts on behalf of, include:

- Individuals and High Net-Worth Individuals;
- Trusts, Estates and Charitable Organizations;
- Pension and Profit Sharing Plans; and
- Corporations, Limited Liability Companies, Partnerships and/or other business types.

Our firm does not impose requirements for opening and maintaining accounts or otherwise engaging us.



## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

### Methods of Analysis

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

**Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, other asset classes and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, other asset classes and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. We generally recommend an asset allocation intended to achieve an aggregate blended targeted rate of return with the lowest volatility (standard deviation) utilizing modern portfolio theory. We periodically re-evaluate the appropriateness of a client's asset allocation, considering changes in client's goals or circumstances and will consider rebalancing actual to intended asset allocation generally quarterly.

### Investment Strategies We Use

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

**Fund Manager Selection Methodology:** We utilize a ranking and scoring system to evaluate mutual fund and exchange traded fund (ETF) manager performance. This scoring system creates two ranking subsets; a Preservation Rank, which uses 10 year data and a Return rank which is calculated using 6 Month and 3 Year data. We utilize the Morningstar Direct software suite to calculate total rate of return, standard deviation and all other statistical datasets used in the ranking and scoring system.

With the assistance of the Morningstar Office software, we divide all available mutual funds and ETFs into asset class and style groupings. The recommended fund lineup is determined by ranking and scoring all available investment options for each asset class within the overall investment portfolio.

Every quarter, the fund lineup is ranked and scored by asset class with updated data and the client's individual funds are ranked on a chart of funds to illustrate how they rank and score in their peer group. As mentioned above, the funds and ETFs are ranked and scored in two different ways:

- Preservation Rank
  - The score is generated using Expense Criteria, Risk Criteria and Risk Adjusted Return Criteria using 10 year data.
- Return Rank
  - The score is generated using Expense Criteria, Return Criteria and Risk adjusted Return Criteria using 6 month and 3 year data.

This data is used to determine if a fund manager should be initially selected or replaced in a client's portfolio within each asset class.

**Price to Fair Value Stock Picking Strategy:** The investment portfolio is developed by examining the Morningstar Direct calculation of price to fair value ratio of U.S. individual stocks. We examine all stocks traded on a U.S. stock exchange that have a market capitalization greater than \$25 Billion. All pink OTC market and ADR stocks will be excluded. We examine the current Morningstar Direct price to fair value ratio for all of the stocks and examine other data such as Morningstar's financial health score, dividend history, and earnings history, among others. A portfolio of 10 stocks is created using the stocks that have the lowest price to fair value ratio. Depending on the number of stocks in the portfolio, we will limit the number of stocks in one sector group to 2. Every 12 months we will re-run the analysis and rebalance into a new 10-15 stock portfolio with the stocks that have the lowest Morningstar price to fair value ratio at that time.

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

## Item 9: Disciplinary Information

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

## Item 10: Other Financial Industry Activities & Affiliations

Alexander, Aronson, Finning & Co, PC. ("AAFCPAs"), a tax and accounting firm, is the majority owner of our firm. Mr. Aronson is part owner, Vice President and a Certified Public Accountant ("CPA") with AAFCPAs. Representatives of our firm may also be CPAs or employees of AAFCPAs, and may provide tax preparation or accounting services. These services are independent of AAFCPAs Wealth Management, LLC's financial planning and investment advisory services, and are governed under a separate engagement agreement. The fees for these services are generally billed hourly and are in addition to the client's AAFCPAs Wealth Management, LLC fees. The hourly rate varies depending on the complexity of the work conducted. The client has the option of engaging AAFCPAs for tax preparation or accounting services, however, they are under no obligation to do so.

Certain representatives of our firm are also licensed with our affiliated entity, AAFCPAs Insurance, LLC as insurance agents/brokers. In such capacity, they may offer clients fixed insurance products and receive normal and customary fees as a result of insurance sales. Clients are under no obligation to purchase these products. A conflict of interest exists as these insurance sales create an incentive to recommend products based on the compensation representatives and/or our supervised persons may earn. To mitigate this potential conflict, disclosure is made to the client at the time of purchase identifying the nature of the transaction and relationship, the role to be played, and any compensation paid to our representatives. In every case, the interests of the client are placed before that of our representatives.

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

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

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>2</sup>. 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.

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons' accounts will be traded in the same manner every time.

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.

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<sup>2</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

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Our firm does not maintain custody of client assets. Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has an arrangement with Fidelity Brokerage Services LLC (“Fidelity”), a qualified custodian from whom our firm is independently owned and operated. Fidelity offers services to independent investment advisers which includes custody of securities, trade execution, clearance and settlement of transactions. Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity does not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client’s custodial account. Transaction fees are negotiated with Fidelity and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

Fidelity may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by Fidelity 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 Fidelity to our firm in the performance of our investment decision-making responsibilities.

Fidelity does not make client brokerage commissions generated by client transactions available for our firm’s use. The aforementioned research and brokerage services are used by our firm to manage accounts. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of Fidelity as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend Fidelity and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our clients may pay a transaction fee or commission to Fidelity that is higher than another qualified broker dealer might charge to effect the same transaction where our firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

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 the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

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#### **Soft Dollars**

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

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#### **Client Brokerage Commissions**

We do not acquire client brokerage commissions (or markups or markdowns). We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

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#### **Brokerage for Client Referrals**

Our firm does not receive brokerage for client referrals.

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#### **Directed Brokerage**

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Clients may seek to limit our authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

We provide appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion

that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, we will inform you in writing that your trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

### **Special Considerations for ERISA Clients**

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A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Aggregation of Purchase or Sale**

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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. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## **Item 13: Review of Accounts or Financial Plans**

We review accounts on at least a quarterly basis for our clients subscribing to our Asset Management and AAFCPAs Wealth Management Robo service. 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 our Financial Advisors will conduct reviews. 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.

Pension Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to pension consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Pension Consulting clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning

clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

## Item 14: Client Referrals & Other Compensation

### Fidelity Brokerage Services LLC

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Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose.

### Referral Fees

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Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

## Item 15: Custody

Our firm does not have custody of client assets. All of clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide 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. We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

The SEC issued a no-action letter ("Letter") in February 2017 with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguarding procedures in conjunction with our custodian, Fidelity:

1. Fidelity's forms, used to establish a standing letter of authorization, include the name and account number on the receiving account and must be signed by the client.
2. Fidelity's SLOA forms currently require client's signature.
3. Fidelity performs verification on all SLOA forms and sends a transfer of notice to the client promptly following the transaction.
4. Clients always have the ability to terminate (or amend) an SLOA in writing.
5. Our firm has no authority, or ability, to amend the third party designated on a standing instruction.
6. Our firm maintains records showing the third party is not a related party of our firm or located at our firm.
7. Fidelity notifies the client in writing when a new standing instruction is set up. Clients also receive an annual mailing reconfirming the existence of the standing instruction.

## Item 16: Investment Discretion

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Should clients grant our firm non-discretionary authority, our firm would be required to obtain the client's permission prior to effecting securities transactions. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

## Item 17: Voting Client Securities

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

## Item 18: Financial Information

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 and we do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. Our firm has never been the subject of a bankruptcy proceeding.