

# Lawley | RETIREMENT ADVISORS

## **FIRM BROCHURE** (Part 2A of Form ADV)

**June 21, 2019**

### **Lawley Retirement Advisors, LLC**

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Lawley Retirement Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (716) 849-8219 and/or [jrehak@lawleyretirement.com](mailto:jrehak@lawleyretirement.com). 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.

Lawley Retirement Advisors, LLC is registered with the SEC as an investment adviser; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Lawley Retirement Advisors, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: MATERIAL CHANGES**

This Brochure is prepared in accordance with the requirements and rules adopted by the United States Securities and Exchange Commission (“SEC”). Part 2A of Form ADV requires investment advisers to provide narrative, plain English disclosures regarding their advisory business in order to provide clients and prospective clients with more meaningful information about the adviser and its business practices.

The firm has made the changes described below since the last annual updating amendment of Lawley Retirement Advisors, LLC on March 21, 2019. Material changes relate to Lawley Retirement Advisors, LLC’s policies, practices or conflicts of interests only.

Because of the amount of details provided within the brochure, LRA encourages each client to read this brochure carefully and to contact us with any questions you may have.

Pursuant to SEC Rules, LRA will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of LRA’s fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as LRA experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please visit [www.lawleyretirement.com](http://www.lawleyretirement.com).

- The firm has updated Items 4 and 5 to describe 3(38) fiduciary services and fees and advisory services and fees related to Health Savings Accounts.
- The firm has updated Item 10 to describe its Financial Wellness Program.

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## ITEM 4: ADVISORY BUSINESS

### A. Description of Firm

Lawley Retirement Advisors, LLC (“LRA”) is a Buffalo, New York-based retirement plan consulting firm, founded in 2010. LRA provides customized retirement plan consulting services to plan sponsors, trustees, and other retirement plan fiduciaries. As discussed more fully below, while LRA does not provide portfolio management services to any plan sponsor or its participants, the Firm assists its clients in plan management, consultation and selection of other investment advisers. LRA advises clientele on investment instruments including, among other things, mutual funds, separate accounts, collective investment trusts (“CITs”) and exchange traded funds (“ETFs”) that invest in asset classes such as domestic and foreign equities, fixed income instruments, commodities, and real estate.

LRA is registered with the SEC as an investment adviser and is a State of New York limited liability company. The Firm conducts business primarily in New York. LRA is 100% owned by Lawley Benefits Group (“LBG”). James J. Rehak, Jr. and Todd M. Tevens serve as the Managing Directors of LRA. James J. Rehak, Jr. is designated as the Firm’s Chief Compliance Officer.

LBG was formed on January 1, 2000 and provides employee benefit consulting from its Buffalo headquarters and various other offices across the state of New York. LBG specializes in consulting employers on health and group benefits, executive compensation and other facets of human resources operations. LBG is managed by six consulting partners with extensive experience in all areas of employee benefits. While each consulting partner owns a minority share of LBG, Lawley Service, Inc., holds the majority interest. Please see [www.lawleyinsurance.com](http://www.lawleyinsurance.com) for more information about Lawley Service, Inc., and LBG.

In December 2015, Lawley-Courier Advisors, LLC (“LCA”) underwent a corporate reorganization (the “Reorganization”) through which Courier Capital Corporation (“Courier”) redeemed its fifty-percent (50%) membership interest in LCA. In connection with the Reorganization, the new registered entity is named Lawley Retirement Advisors, LLC (“LRA” or the “Firm”). After the Reorganization, neither Courier, nor its principals, Bruce Kaz, Randy Ordines, William Gurney and Thomas Hanlon, retains any management, ownership or economic rights with respect to LRA. LRA’s remaining member is LBG. Post-Reorganization, LRA will be managed by James Rehak, Jr. and Todd Tevens, and James Rehak, Jr. will serve as LRA’s Chief Compliance Officer.

As part of the Reorganization, LRA has filed a succession by application registration with the SEC and is considered a “new” investment adviser in accordance with the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Those LCA client agreements that have been consented to for assignment have been assumed by LRA in accordance with the terms of the relevant terms of such agreements. If you have any questions relating to the Reorganization, please contact LRA at (716) 849-8219.

**B. Retirement Plan Services**

Through their decades of experience, resources, and technology, LRA's professionals assist companies in starting-up and/or managing existing retirement plans tailored to the specific needs of the sponsor firm and its employees. During the first stage of LRA's retirement plan consulting process, LRA professionals will meet with the plan sponsor to understand the investments currently offered and thereafter will provide a strategic assessment of the investment options to help meet the client's goals and objectives. LRA will then conduct a comprehensive review of the plan's recordkeeping, administration, and other needs, providing guidance and comparison of available options for recordkeeping platforms, administrators, and new investment options designed to help meet the needs of the participants and plan sponsor. Throughout the process, LRA will provide the client with legislative and compliance information and may meet with the client's retirement committee to review aspects of the plan and formally document the discussions. Finally, LRA will formulate a communications campaign and monitor employee education to help ensure employee satisfaction.

LRA is unique in that it does not manage proprietary mutual funds nor receive compensation from fund companies. Consequently, the Firm's advice is truly independent of such conflicts of interest. LRA strives to provide diversified investment selections strictly driven by its analytics of the marketplace and what is best for the client's firm and its employees. LRA designs its retirement plan services to meet the needs of a wide range of investor profiles without causing an overload of investment choices. Through the Firm's use of preferred partners, LRA is able to deliver fully bundled or unbundled retirement plan solutions, or alternatively, can work with the client's firm's existing plan service provider to deliver customized solutions.

Lawley Retirement Advisors may provide 3(38) fiduciary services, in which case compensation may be based on either assets under management or a fixed fee.

**C. Health Savings Account Services**

LRA partners with HSA Bank and Aspire to provide investment advice on individual Health Savings Accounts. LRA has built investment asset allocation models based on risk tolerance.

**D. Assets Under Management**

As of December 2018, the following represents the amount of client assets under management by LRA on a discretionary and non-discretionary basis:

| Type of Account   | Assets Under Management<br>("AUM") |
|-------------------|------------------------------------|
| Discretionary     | \$0                                |
| Non-Discretionary | \$ 682,296,807                     |
| Total:            | \$ 682,296,807                     |

## ITEM 5: FEES AND COMPENSATION

### A. Retirement Plan Fees

Prior to engaging LRA to provide advisory services, the client will be required to enter into a written Investment Advisory Agreement (“Agreement”) with LRA setting forth terms and conditions, including those fees under which LRA shall render its services. Such fees are subject to negotiation under certain circumstances and at the sole discretion of the firm.

For 3(38) Services, LRA fees will typically range from 10-100 basis points, but can vary based on advisory services provided.

LRA fees are subject to negotiation. For LRA affiliates, our advisory fee may be less than what is assessed to other LRA clients.

LRA fees can vary based on advisory services to the plan and its participants, plan demographics and characteristics. The frequency and assessment of LRA fees is outlined within each client agreement. LRA may be compensated by ACH, check, on a monthly, quarterly, or bi-annual basis and is based on AUM or a fixed fee. LRA fees are reviewed and discussed with clients on an annual basis.

#### 1. Fees Based on a Percentage of Assets Under Management (“AUM”)

Typically, LRA charges its management fee based on a percentage of the reported market value of client’s retirement plan, as calculated by the client’s custodian, as of the close of business on the last business day of the billing period. Pursuant to the signed Agreement, LRA may bill the client in arrears or in advance, with such fees being assessed on a periodic basis, which may occur monthly, quarterly, semi-annually or annually (the majority of LRA clients pay in arrears, and the billing terms and period are set forth in each client’s Agreement). The actual percentage charged for these fees is based upon various plan demographics and characteristics, and will be indicated on the client’s Agreement after being agreed to by both LRA and the client.

Generally, a minimum fee of \$5,000 per year applies. The minimum fee level may be waived at the sole discretion of LRA. Lower fees for comparable services may be available from other sources. These fees may be negotiated by LRA under certain circumstances, and at the sole discretion of LRA.

Should a client engage LRA for retirement plan consulting services in the middle of a billing period, the Firm’s fees will be prorated based on the number of days that LRA rendered its services during the billing period. In the event that LRA’s services are terminated during a billing period, the annual fee shall be prorated through the date of termination and any balance will be refunded to the client.

#### 2. Fees Based on a Fixed Fee

LRA may, at its sole discretion, enter into Agreements with clients whereby its management fees are paid pursuant to a fixed flat-fee basis rather than a percentage of the client’s AUM. In these instances, LRA may require a minimum fee of \$5,000 per

year; however this fee level may be waived at the sole discretion of LRA.

**B. Individual Health Savings Account Fees**

LRA will charge an advisory fee based on assets under management for individuals with Health Savings Accounts. LRA fees are disclosed to each individual investor.

**C. Other Fees and Expenses**

Clients should understand that the fees described above are exclusive to LRA and do not include certain charges imposed by third parties such as custodial fees, execution costs, mutual fund fees and expenses, and fees charged by third party advisers. Client assets also may be subject to transaction fees, brokerage fees and commissions, retirement plan administration fees, 12b-1 fees, wire transfer and electronic fund fees, and other fees on brokerage accounts and securities transactions. For mutual funds and ETFs, you may be charged internal management fees, distribution fee and other expenses, which will be further described in the funds' respective prospectuses.

**Notably, LRA will not receive any portion of these other fees and expenses.**

Clients should understand that all custodial fees and any other charges, fees incurred in connection with transactions for a client's plan may be paid out of the assets in the account and are in addition to the advisory fees charged by LRA. *Furthermore, LRA will not receive any portion of the fees or expenses charged by the client's custodian.* Please refer to Item 12 of this Brochure for additional important information about the brokerage and transactional practices of LRA.

**D. Important Considerations**

Certain representatives of LRA, in their individual capacities, are also registered representatives and investment adviser representatives of Cadaret, Grant & Co., Inc. ("Cadaret, Grant"), a securities broker-dealer and registered investment adviser ("RIA") registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). In this capacity, these individuals may transact in various types of securities or investment products and may receive separate and typical compensation for doing so.

While LRA does not sell securities or other investment products to its clients, clients may implement securities transactions through certain of LRA's investment adviser representatives, in their respective individual capacities as registered representatives of Cadaret, Grant. These individuals may receive commissions or fees for the sale of securities purchased for an individual client.

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. LRA and Cadaret, Grant are separate, nonaffiliated entities. Nevertheless, to the extent that a LRA representative recommends the purchase of securities or other investment products where the representative receives commissions for doing so, a conflict of interest exists because the representative may have an incentive to make recommendations based on the compensation received rather than on a client's needs.

LRA has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of LRA's fiduciary duty to clients, LRA and its representatives will endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interest of the client and the retirement plan. Additionally, the conflicts presented by these practices are disclosed to clients at the time of entering into an advisory agreement. Clients are not obligated to implement recommended transactions through any LRA representative or any particular broker-dealer. Clients have the option to purchase any recommended investment products or services through brokers or agents other than Cadaret, Grant. Please refer to Item 10, below, for more information on LRA's other financial industry activities and affiliations.

In accordance with the Advisers Act, LRA will provide a brochure and relevant brochure supplements to each client or prospective client prior to or contemporaneously with the execution of an Investment Advisory Agreement. The Investment Advisory Agreement between LRA and the client will continue in effect until terminated by either party pursuant to the terms of the agreement. Neither the Firm nor the client may assign the agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of LRA shall not be considered an assignment.

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

LRA does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, LRA does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described in Item 5 above, LRA generally charges an annualized quarterly management fee based on the value of the client's retirement plan.

Notably, accounts that are managed in the same style may not be managed the same way due to, among other things, the client's overall investment objective, asset size or account restrictions.

#### **ITEM 7: TYPES OF CLIENTS**

LRA provides advisory services primarily to pension and profit sharing plans, including 401(k) plans, 403(b) plans, deferred compensation plans and other defined contribution and defined benefit plans. If a Client's account is governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), LRA acknowledges it is a fiduciary to the plan under Section 3(21)(A) of ERISA.

LRA reserves the right to accept or decline a potential client for any reason in its sole discretion.

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

##### **A. Methods of Analysis and Investment Strategies**

As mentioned in Item 4 above, LRA utilizes various methods of analysis in formulating its advice to retirement plans. LRA employs a defined process for each step in the



investment management cycle. This includes ongoing selection, implementation and monitoring.

LRA carefully selects its investments by beginning with an investment performance evaluation and screen of the broadest possible universe of asset and fund managers (collectively, “Managers.”) Managers that qualify from a performance standpoint are then examined to determine their process for security selection, portfolio construction and sell decisions. Once that evaluation is complete, a qualitative examination of the management firm is conducted.

During this phase, LRA gains insights through reviewing reports from external industry data providers, including market news reports, financial publications, corporate rating services, outside research reports, annual reports, prospectuses, SEC filings, and company press releases. Utilizing this broad information gathering process, LRA attempts to determine what Managers and investments appear to be suitable and in line with the investment objectives of each of its clients. The Firm typically selects Managers based on their investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors and holdings.

Investing in securities involves risk of loss that clients should be prepared to bear.

## **B. Material Risks**

Investing in securities involves a significant risk of loss. LRA’s investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the Client’s account, which Clients should be prepared to bear. There can be no assurance that the Client’s investment objectives will be obtained and no inference to the contrary should be made. Prior to entering into an agreement with LRA, a client should carefully consider: (1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years, (2) that volatility from investing in the stock market can occur, and (3) that over time the client’s assets may fluctuate and at any time be worth more or less than the amount invested.

In addition to those risks outlined in Item 4, some of the risks associated with investing in securities and funds recommended by LRA that clients should be aware of include, but are not limited, to the following:

- Allocation Risk: the risk that a portfolio could lose money as a result of less than optimal or poor asset allocation decisions as to how its assets are allocated or reallocated.
- Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a stock, bond, mutual fund or other security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances.

- Credit Risk: The risk that a portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.
- High Yield Risk: High yield securities and unrated securities of similar credit quality (commonly known as “junk bonds”) are subject to greater levels of credit and liquidity risks.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. This is also referred to as exchange rate risk.
- Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. Generally, business risk is that a company will go bankrupt or perform below expectations. Every company carries the business risk that it will produce insufficient cash flow in order to maintain operations. Business risk can come from a variety of sources, some systemic and others unsystemic. That is, every company has the business risk that the broader economy will perform poorly and therefore that sales will be poor, and also the risk that the market simply will not like its products.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business’ operations increases the risk of profitability, because the company must meet the terms of its obligations in goodtimes and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Derivatives Risk: This is the risk of investing in derivative instruments, including liquidity, interest rates, market, credit and management risks, mispricing or improper valuations. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index and the investment could lose more than the principal amount invested.
- Foreign Investment Risk: Investments in foreign securities may be riskier than U.S. investments because of factors such as, unstable international, political and economic conditions, currency fluctuations, foreign controls on investment and currency exchange, foreign governmental control of some issuers, potential confiscatory

taxation or nationalization of companies by foreign governments, withholding taxes, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying accounting standards, political or economic factors that may severely limit business activities, and legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors. Investments in emerging markets may involve these and other significant risks such as less mature economic structures and less developed and more thinly-traded securities markets.

- **CIT and Separate Account Risk:** Investments are established and maintained by entities such as banks or brokerages under a declaration of trust that use pooled money to purchase individual assets. These funds are not required to file a prospectus or registration statement with the SEC, and accordingly, neither is available. These funds are available only to certain qualified retirement plans and are not offered to the general public. Units of the fund are not bank deposits and are not insured or guaranteed by any bank, government entity, the FDIC or any other type of deposit insurance.
- **Exchange Traded Fund (ETF) Risk:** Risks related to an investment in an ETF include the possibility of a loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.

It is important to note that while LRA recommends investing for the long-term, certain mutual funds or ETFs recommended by LRA may employ high-frequency trading. As a result, such frequent trading may result in increased brokerage and other transaction costs, which generally could reduce investment returns over time. For information on the risks associated with investing in mutual funds or ETFs that may be offered through the plan sponsor, please refer to the funds' prospectuses or other equivalent disclosure documentation.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisers such as LRA are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of LRA or the integrity of its management. LRA does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Other Financial Industry Activities**

All of LRA's members have arrangements with outside financial industry activities which the Firm believes may be material to the Firm's clients and/or prospective clients.

As mentioned in Item 5, above, certain persons associated with LRA are Registered Representatives ("RR") and Investment Adviser Representatives ("IARs") with Cadaret, Grant. In such a capacity they may provide advisory services and/or offer securities and receive normal and customary commissions and/or fees as a result of such activities. This presents a conflict of interest to the extent that they may recommend that certain clients implement recommendations and/or invest in securities by utilizing the services of Cadaret, Grant, which would result in LRA receiving an indirect benefit and one or more of the firm's employees receiving fees. In order to mitigate this potential conflict of interest, it is LRA's policy to disclose to clients when the sale of particular investment products will result in fees being paid to LRA or its employees. LRA clients are under no obligation to implement recommendations and/or invest in securities through Cadaret, Grant and should understand that lower fees and/or commissions for comparable services may be available from other sources.

In addition, certain LRA professionals also are licensed insurance agents through Lawley Benefits Group, LLC and Lawley Service Inc. – doing business as Lawley Benefits Group. In such a capacity, they may offer insurance products and receive normal and customary commissions as a result of such a purchase. This presents a conflict of interest to the extent that they may recommend the purchase of an insurance product to certain LRA clients, which may result in a commission being paid to one or more of them as licensed insurance agents. In order to mitigate this potential conflict of interest, it is LRA's policy to disclose to clients when the sale of particular insurance products will result in commissions being paid to LRA or its employees. LRA clients are under no obligation to transact insurance business through Lawley Benefits Group, Lawley Insurance or Messrs. Rehak and Tevens in their capacities as licensed insurance agents.

LRA offers a proprietary Financial Wellness program that they have developed, encompassing topics which include: budgeting, debt management, investment basics, general insurance planning, and general estate planning. This program is general and is not customized to specific clients. This program does not provide financial planning counsel or advice. Any applicable expense for this service will depend on the client relationship with LRA and may vary.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics Summary**

The Advisers Act imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. LRA's clients therefore entrust us to use the highest standards of integrity when consulting their retirement plan and recommending investments that impact their financial future. Our fiduciary duty compels all employees to act with integrity in all of our dealings.

Because LRA's investment professionals and associated persons may transact in the same securities for their personal accounts as they may recommend for client retirement plans, it is important to mitigate potential conflicts of interest. To that end, LRA has adopted personal securities transaction policies in the form of a *Code of Ethics* ("Code"), which all LRA associated persons must follow. This Code provides personnel with guidance in their ethical obligations regarding their personal securities transactions and fiduciary duties formulating the basis of all of our client dealings. Specifically, the Code requires personnel to report personal trades and holdings and prohibits or requires pre-clearance for certain trades in certain circumstances. The Code also contains procedures for reporting violations and enforcement. The Code is reviewed and distributed to personnel annually. LRA will provide a copy of the Code to any Client or prospective Client upon written request.

LRA obtains information from a wide variety of publicly available resources. LRA and its personnel do not have, nor claim to have, insider or private knowledge.

**B. Participation or Interest in Client Transactions**

Because the Code would permit associated persons of LRA to invest in the same securities as those recommended to clients, there is a possibility that that the associated person could benefit from market activity by a client in a security held by that person. Employee trading is continually monitored under the Code, with an eye to reasonably prevent conflicts of interest between LRA and its clients.

As LRA does not have discretion over client assets, the Firm does not affect any principal or agency cross securities transactions for client accounts, nor does it affect cross-trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

**ITEM 12: BROKERAGE PRACTICES**

Investment advisers that select or recommend broker-dealers for client transactions are required to disclose their practices. Because LRA does not select or recommend broker-dealers for client transactions, it has no information to disclose with respect to this Item.

**ITEM 13: REVIEW OF ACCOUNTS**

LRA retirement plan professionals periodically review their designated client retirement plans on a regular basis. Depending on, among other things, the retirement plan's size, complexity, objectives and structure, LRA will generally review the plan on a quarterly or semi-annual basis. For certain clients, and as disclosed in those clients' contract with LRA, a plan may be reviewed on an annual basis. Client accounts are reviewed for suitability in light of each client's investment objectives, risk tolerance and financial goals, in conjunction with the framework of

recommendations established by LRA's Retirement Plan Committee.

LRA's Retirement Plan Committee is responsible for the general oversight of all supervised persons. The Retirement Plan Committee meets no less than quarterly and is comprised of Todd Tevens and James Rehak, Jr. At each of these meetings, the Retirement Plan Committee discusses plan management, analysis, record keeping, investment options, and any areas of potential concern.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

If a client is introduced to LRA by either an unaffiliated or an affiliated solicitor, LRA may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from LRA's retirement plan consulting fee, and shall not result in any additional charge to the client. If the client is introduced to LRA by an unaffiliated solicitor, the solicitor shall provide the client with a copy of LRA's Form ADV Part 2 or other written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. The solicitor is required to obtain the client's signature acknowledging receipt of LRA's disclosure brochure and the solicitor's written disclosure statement. Any affiliated solicitor of LRA shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of LRA's Form ADV Part 2 or other written disclosure brochure at the time of the solicitation. Since in some states, a solicitor is also required to be qualified and registered as an investment adviser representative, LRA has developed internal controls for ensuring its IARs are registered as required.

#### **ITEM 15: CUSTODY**

LRA does not maintain physical custody of any client or plan funds or securities and does not have authority to debit its fees from client accounts. Certain investment managers may be deemed to have custody of client funds or securities under their management. Such assets will typically be held with a broker-dealer, bank or qualified custodian which will send quarterly, or more frequent, account statements directly to clients. Clients should carefully review those statements. Please refer to the investment manager's disclosure brochure for important information about their custodial practices.

#### **ITEM 16: INVESTMENT DISCRETION**

LRA does not accept discretionary authority over client accounts. Certain investment managers may have investment discretion over client or plan assets invested with such managers, and such authority may in certain circumstances be subject to limitations imposed by clients. Please refer to the applicable investment manager's disclosure brochure or similar disclosure document for information relating to their discretionary authority and the procedures for accepting such discretion.

#### **ITEM 17: VOTING CLIENT SECURITIES**

LRA will not have or accept authority to vote proxies on behalf of client's accounts or retirement plans, and therefore does not have information to disclose under this Item. As included in LRA's

Investment Advisory Agreement, LRA clients are directed to have plan or account custodian(s) to forward all shareholder related materials directly to the client's address on record. Furthermore, ERISA clients must certify that such voting responsibility has been reserved by the retirement plan's trustees or has been delegated to another named fiduciary.

**ITEM 18: FINANCIAL INFORMATION**

LRA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. LRA does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.