

# Disclosure Brochure

March 11, 2022

## BPP Wealth Solutions, LLC

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of BPP Wealth Solutions, LLC (hereinafter "BPP" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). BPP is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2 Material Changes**

Since BPP's last annual update on March 9, 2021, we have the following material changes to report:

Since the filing of our last Annual Updating Amendment dated March 9, 2021 we amended our brochure to disclose and acknowledge that when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries under ERISA and/or the IRC as applicable. For more information on this topic, including inherent conflicts of interest, and our compliance with Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") refer to Item 4.

We amended Item 18 to disclose that we received funds from the Paycheck Protection Program ("PPP") through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. We used the PPP funds as permitted by the CARES Act. We subsequently satisfied the terms of the loans and have therefore removed the disclosure from Item 18."

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## Item 4 Advisory Business

BPP is a registered investment adviser that offers a variety of advisory services, which include financial planning and investment management services, to its clients. BPP began operating as an independent registered investment adviser in February 2013 and is principally owned by Debra L. Schatzki.

As of December 31, 2021, BPP has Regulatory Assets Under Management of \$166,632,947 on a discretionary basis.

Prior to the rendering of advisory services, clients are required to enter into one or more written agreements with BPP setting forth the relevant terms and conditions of the advisory relationship (the "Agreement").

While this brochure generally describes the business of BPP, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on BPP's behalf and is subject to the Firm's supervision or control.

### Financial Planning Services

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BPP offers clients a range of financial planning services, as part of the Firm's trademarked Security Income Planner® process, to help clients Build, Protect, and Preserve Wealth for Generations™. Financial planning services may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Asset Allocation
- Retirement Planning
- Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Needs Analysis
- Retirement Plan Analysis
- Charitable Giving
- Risk Management
- Distribution Planning
- Succession Planning

In performing these services, BPP is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. BPP may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents or registered representatives of a broker-dealer, and/or other professionals to implement its recommendations.

Clients are advised that a conflict of interest exists if BPP recommends its own services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by BPP under a financial planning engagement or to engage the services of any such recommended professionals, including BPP itself. Clients are advised that it remains their responsibility to promptly notify the Firm if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising BPP's previous recommendations and/or services.

## Investment Management Services

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BPP manages client investment portfolios on a discretionary or a non-discretionary basis.

BPP primarily allocates client assets among various independent investment managers ("*Independent Managers*"). On a more limited basis, the Firm may allocate client assets among mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, and options, as well as the securities components of variable annuities and variable life insurance contracts, in accordance with the investment objectives of its individual clients. In addition, BPP may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage BPP to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, BPP directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

BPP tailors its advisory services to accommodate the needs of its individual clients and continuously seeks to ensure that its clients' portfolios are managed in a manner consistent with their specific investment profiles. BPP consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other factors relevant to the management of their portfolios. Clients are advised to promptly notify BPP if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if BPP determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

## Use of Independent Managers

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As mentioned above, BPP generally selects certain *Independent Managers* to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either BPP or the client. In addition to this brochure, clients also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets. BPP does not receive compensation from any such *Independent Managers*.

BPP evaluates various information about the *Independent Managers* it chooses to manage client portfolios. The Firm generally reviews a variety of different resources, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposures. BPP also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

BPP continues to provide services relative to the discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed by *Independent Managers* by reviewing the summary account statements and trade confirmations produced by the *Financial Institutions*, as well as other performance information furnished by the *Independent Managers* and/or other third-party providers. BPP seeks to ensure the *Independent Managers'* strategies and target allocations are aligned with its clients' investment objectives and overall best interests.

## **Family Office Services**

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BPP provides family office services to clients consisting of bookkeeping and bill-pay services. These services are separate from and in addition to the advisory services (financial planning, investment management services and use of independent managers) offered by BPP. The additional services are offered as a Schedule annexed to the BPP Wealth Management Agreement.

## **Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## **Item 5 Fees and Compensation**

BPP offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management. Additionally, certain of BPP's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a separate commission arrangement.

## Financial Planning Fees

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BPP generally charges a negotiable fixed fee to provide clients with stand-alone financial planning services. These fees are largely determined by the scope and complexity of the agreed upon services and range from \$3,000 to \$20,000 on a fixed fee basis.

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with BPP. Generally, BPP requires one-half of the financial planning fee payable upon execution of the *Agreement* and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion. If the client engages BPP for additional investment advisory services, BPP may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

## Investment Management Fees

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BPP provides investment management services for an annual fee based on the amount of assets under the firm's management. This fee varies between 80 and 155 basis points (0.8% - 1.55%) using a blended rate, depending upon the size of a client's portfolio and the type of services rendered.

Fees are charged quarterly in advance based upon the asset values on the last day of the previous calendar quarter. The first advisory fee will be assessed on a *pro rata* basis taking into account the time for which the account was not managed by the firm. Upon termination of a managed account agreement, the client will be refunded a pro-rata portion of the fees paid in advance for any unearned fees that were paid. Fees to the firm are generally negotiable at BPP's discretion.

Fees are deducted from the client account by the qualified account custodian, pursuant to written authorization by the client, and payment of the fee is reflected in the custodian's statement.

## Family Office Services Fees

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Fees for Family Office Services are charged on an hourly rate. A fixed fee of \$60 per hour is billed and payable after services are rendered.

## Fee Discretion

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BPP, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

## Additional Fees and Expenses

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In addition to the advisory fees paid to BPP, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's

prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

## **Fee Debit**

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Clients may grant BPP the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to BPP. Alternatively, clients may elect to have BPP send them an invoice for direct payment.

## **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to BPP's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to BPP, subject to the usual and customary securities settlement procedures. However, BPP designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. BPP may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

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

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Clients can engage certain persons associated with BPP (but not BPP) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with BPP.

Under this arrangement, the Firm's *Supervised Persons*, in their individual capacities as registered representatives of Mutual Securities, Inc. ("*Mutual Securities*"), provide securities brokerage services and implement securities transactions.

In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for purchasing and holding of mutual funds.

BPP does not receive any portion of the commissions or transactional fees charged by *Mutual Securities*. Compensation earned by these persons in their capacities as registered representatives is separate from advisory agreements.

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

BPP does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7 Types of Clients

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

### No Minimum Account Requirements

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BPP does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than BPP. In these instances, BPP may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

### Investment Strategies and Methods of Analysis

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BPP believes that a sound, successful investment management strategy starts with a thoughtful financial plan, which is generated through its Security Income Planner™ process. The Firm believes the planning process drives portfolio construction and before BPP begins to determine an appropriate mix of assets for a client, it generally has a discussion with the client about their current assets, insurance, taxes, goals, objectives, risk tolerance and other factors.

BPP's investment philosophy emphasizes asset allocation, diversification, limiting volatility and using independent professional managers. BPP creates portfolios that are customized to an individual client's needs.

The Firm generally invests client assets among professionally managed investments such as *Independent Managers*, mutual funds, ETFs, and other securities it believes are appropriate. The Firm utilizes independent data services, a strict screening methodology, qualitative research, and the experience of its Investment Committee to evaluate potential investment solutions for its clients.

When determining which *Independent Managers* to utilize, the Firm typically reviews (i) investment philosophy and process; (ii) manager team tenure and experience and number of investment professionals; (iii) size and stability of the organization and firm ownership; and (iv) asset growth.

### Risk of Loss

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#### *General Risk of Loss*

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

#### *Market Risks*

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

## *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their NAV. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## *Use of Independent Managers*

BPP may recommend the use of *Independent Managers*. In these situations, BPP continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, BPP generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

## **Item 9 Disciplinary Information**

BPP has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

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

### **Registered Representatives of a Broker Dealer**

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Certain of the Firm's *Supervised Persons* are registered representatives of *Mutual Securities* and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### **Receipt of Insurance Commission**

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BPP is under common control with BPP Risk Solutions, Inc., a duly licensed insurance agency. Certain of BPP's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with BPP Wealth, Inc. and various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While BPP does not sell

such insurance products to its investment advisory clients, BPP does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that BPP recommends the purchase of insurance products where BPP's *Supervised Persons* receive insurance commissions or other additional compensation.

## **Association with Other Ventures**

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The Principal of the Firm, Debra L. Schatzki, is a member of Springview Investment II, LLC ("*Springview*"), which is a company formed for the purpose of investing in physical real estate. Ms. Schatzki has no active management duties or responsibilities pursuant to her interest in Springview. Ms. Schatzki will not solicit BPP's clients for investments to Springview Investments. Furthermore, other than Ms. Schatzki's rights as a member of Springview, Ms. Schatzki does not receive any compensation from the Firm's clients or Springview for any capital contributions made by the Firm's clients. Although this activity may take up to approximately 20 hours per month, it will not have a material impact on Debra Schatzki's responsibilities to BPP.

## **Arrangements with Affiliated Entities**

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Allison Jaffe serves as BPP's Chief Compliance Officer ("CCO"). She is also the CCO of Carapace Financial Advisors, LLC, Blue Square Asset Management and 46 Peaks LLC each a Registered Investment Advisor.

The specific amount of time dedicated to, and compensation received from, each engagement will depend on circumstances, including the development of each business.

## **Item 11 Code of Ethics**

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

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

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

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

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

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

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

## **Item 12 Brokerage Practices**

BPP generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*") and Pershing LLC ("*Pershing*") for investment management accounts.

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

The commissions paid by BPP's clients comply with BPP's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where BPP determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. BPP seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

BPP periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

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

Transactions for each client generally will be effected independently, unless BPP decides to purchase or sell the same securities for several clients at approximately the same time. BPP may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among BPP's clients differences in prices and commissions

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

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

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

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As discussed above, certain *Supervised Persons* in their respective individual capacities are registered representatives of *Mutual Securities*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *Mutual Securities* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *Mutual Securities* unless they first secure written consent from *Mutual Securities* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *Mutual Securities*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *Mutual Securities* under *Mutual Securities*' internal supervisory policies. BPP is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

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

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BPP may receive from *Schwab and Pershing*, without cost to BPP, computer software and related systems support, which allow BPP to better monitor client accounts maintained at *Schwab and Pershing*. BPP may receive the software and related support without cost because BPP renders

investment management services to clients that maintain assets at *Schwab and Pershing*. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may benefit BPP, but not its clients directly. In fulfilling its duties to its clients, BPP endeavors at all times to put the interests of its clients first. Clients should be aware, however, that BPP's receipt of economic benefits from a *Financial Institution* creates a conflict of interest since these benefits may influence BPP's choice of a *Financial Institution* over another *Financial Institution* that does not furnish similar software, systems support, or services.

Additionally, BPP may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Non-Discretionary Account Trading**

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We are not always able to aggregate non-discretionary accounts with our discretionary accounts. We will aggregate non-discretionary account orders when time is available to obtain authorization before or after markets hours. We do not need to obtain authorization on a trade by trade basis for discretionary accounts. Thus, when we determine to trade a security, in order to achieve best execution, when appropriate we place discretionary orders without delay. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm we may not be able to buy and sell the same security at the same price or at the same time for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm. We call non-discretionary accounts on a rotational basis and enter trades concurrent with authorizations.

## **Item 13 Review of Accounts**

### **Account Reviews**

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For those clients to whom BPP provides investment management services, BPP monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom BPP provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Principal of BPP, Debra L. Schatzki and independent managers. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with BPP and to keep BPP informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from BPP and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from BPP or an outside service provider.

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

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

BPP does not have any current active solicitors, however it has in the past and continues to compensate for prior referrals.

### **Other Economic Benefits**

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

## **Item 15 Custody**

BPP's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize BPP through such *Financial Institution* to debit the client's account for the amount of BPP's fee and to directly remit that management fee to BPP in accordance with applicable custody rules.

The *Financial Institutions* recommended by BPP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to BPP. In addition, as discussed in Item 13, BPP also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from BPP.

BPP is deemed to have custody of client assets when bill-pay services are provided. Due to BPP's ability to access client funds and securities, BPP is examined no less than annually on a surprise basis by a third-party accountant to ensure the protection of client funds.

## **Item 16 Investment Discretion**

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

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

## **Item 17 Voting Client Securities**

BPP is required to disclose if it accepts authority to vote client securities. BPP does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

## **Item 18 Financial Information**

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