



## Alpha Capital Family Office, LLC

5750 S. Ulster Circle East

Greenwood Village, CO 80111

December 18, 2024

[www.acfamilyoffice.com](http://www.acfamilyoffice.com)

### Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Alpha Capital Family Office, LLC (“ACFO”). If you have any questions about the contents of this brochure, please contact us at (303) 900-0185. 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. ACFO is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Alpha Capital Family Office, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Alpha Capital Family Office, LLC is 307521.

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## ITEM 2 – Material Changes

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### Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following are material updates to our Brochure since our last Annual Amendment filing dated March 14, 2024:

- Mike Dieschbourg is Chief Compliance Officer as of August 15, 2024.
- The Firm is owned by Family Office Solutions, LLC. Indirect ownership of the Firm is through Summit Insights LLC and ACFO LLC.
- Item 9 was amended to reflect Investment Adviser Representatives have an affiliation with an unaffiliated State Independent Registered Investment Adviser.
- Item 9 was amended to reflect additional Risk of Loss language regarding recommendations made to Private Funds.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer Mike Dieschbourg at (303) 703-1626 or [mike.dieschbourg@acfamilioffice.com](mailto:mike.dieschbourg@acfamilioffice.com).

We encourage you to read this document in its entirety.

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## ITEM 4 – Services, Fees & Compensation

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We offer a wrap fee program as described in this Wrap Fee Program Brochure. A wrap fee program is generally considered any arrangement under which clients receive investment advisory services and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. All of our investment advisory clients will be offered the wrap fee program structure that includes, as a single fee, the securities transaction costs for trading in Client accounts along with the investment advisory fees earned by our firm. While traditional Wrap Fee Programs are often rigid, pre-packaged investment programs, our firm customizes its investment strategies individually for its Clients. Prior to receiving services through the Program, clients are required to enter into a written agreement with our firm setting forth the relevant terms and conditions of the investment advisory relationship (the “Agreement”).

### **Our Wrap Advisory Services**

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#### **Family Office Services**

We are a multi-generational firm that assists families by creating intentional plans around their life, family, business, community, and wealth. Our Firm offers comprehensive wealth planning services to our investment management clients. Supported by MoneyGuidePro®, our Firm is able to conduct an analysis of your current situation and identify appropriate financial planning and investment management techniques to help you to meet your specific financial objectives. Such services include the following:

#### **Family Board Meetings:**

- Build a structure and plan based on the values and what is most important to the family
- Extensive information and data gathering from all family members
- Facilitate quarterly meetings
- Create an education and development plan for coming generations
- Facilitate the creation of the family’s purpose, mission, and constitution
- Provide a structure for governance between the family and business
- Facilitate family engagement with business leadership

#### **Business Consulting:**

- Review and share overall goals and plan for the business
- Understand all key stake holders in the business, shareholders, voting and non voting, employees, customers, suppliers, and partners
- Coordinate all key business advisors with family and leadership team
- Share strengths, weaknesses, opportunities, and threats with coming generations to enhance understanding of how the business works and makes money
- Review and educate coming generations on the financials of the business
- Economic and business volatility education
- Build a structure of communication between the family and business leadership

- Review, enhance and share succession plans
- Review strategies with real estate related to the business
- Review exit strategies and the creation of liquidity events
- Provide access to financing sources at various public and private levels

#### Advisor Team Management:

- Coordination and management of your advisor team to work in a proactive role
- Develop an advisor communication plan
- Insure advisor alignment with family's goals and plans

#### Digital Organization:

- Provide a digital vault to organize all documents, information and provide coordinated access to advisors that need to be in the know
- Provide a personal financial website to access all your assets in one place
- Provide a wealth planning timeline to keep your top priorities in front of your advisors for proactive focus and completion
- Provide a tax planning worksheet for proactive planning

#### Asset Management and Planning:

- Cash flow management now and in the future
- Tax mitigation now and in the future
- Asset protection from unforeseen liabilities
- Family and charitable gifting plans
- Investment management of all asset types inside and outside of your investment management resources
- Review, planning, and tax mitigation for retirement, taxable and tax-free investments
- Access to private real estate and equity opportunities

#### Estate Planning:

- Creation and customization of your plan to provide for your family and heirs
- Review of documents in place and review of strategy in line with goals and plans
- Utilization of marketability discounts
- Tax mitigation currently and for subsequent generations
- Coordinate with business succession or exit plans
- Coordination with subsequent and prior generations
- Development of a plan to share the necessary points of the planning with subsequent generations

#### Risk Management and Asset Protection:

- Review and enhance the risk management processes and procedures for the family and their assets
- Review and adjust asset titling for maximum protection
- Review and recommend on all insurance coverages, property and casualty for

the business and personal side, life insurance for the business and personal side, health care now and in the future

- Review original intent and strategy still in line with goals and objectives of the family and the business
- Institute annual review of all insurance coverage, pricing on a proactive basis

#### Charitable Planning:

- Based on the families' values and goals development of a multi-generational plan to support those organizations that are in alignment
- Review and implementation of various strategies from Donor Advised Funds to Private Foundations
- Extensive time with subsequent generations to determine overlap and differences in organizations to support

#### Investment Management Services

For clients that desire our asset management services, we offer discretionary investment management and investment advisory services for a flat dollar or asset based fee. These services include investment analysis, allocation of investments, quarterly portfolio statements, financial commentaries, wealth planning services (as described above) and ongoing monitoring of client portfolios. We primarily allocate client assets among various mutual funds, exchange-traded funds ("ETFs"), cash, individual debt (bonds) and equity securities in accordance with their stated investment objectives. All of which are considered asset allocation categories for the client's investment strategy.

We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them on a discretionary basis based on our market views and on your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives.

If a non-discretionary relationship is in place, calls will be placed to the client presenting the recommendation made including a rebalancing recommendation and only upon your authorization will any action be taken on your behalf.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate authorization from you.

Where appropriate, we may also provide advice about any type of legacy position(s) and/or other outside investment(s) held with a client's overall investment portfolio. Clients may engage us to manage and/or advise on certain investment products that are not maintained at their traditional 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).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

#### *Disclosure Regarding Rollover Recommendations*

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also 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. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and

responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

### **Relative Cost of the Program**

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A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

Our fees will vary depending on the level of engagement and are negotiated with the client. Family office services are charged a fixed, annual fee and range from \$0 to \$750,000. Investment management fees are based upon a percentage of assets under management not to exceed 1.50%. The fees will be billed in arrears and on a quarterly basis on the value at the end of the calendar quarter. The initial advisory fee will be prorated for the number of days in the current quarter that your account is under management. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. Our employees and their family-related accounts are charged a reduced fee for our services.

As disclosed above, our Firm pays for the transaction costs incurred for the execution of transactions. We pay this fee based on each trade or transaction with the Custodian. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we incur the fees for executed trades. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by always acting in the client's best interest.

At our discretion, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee based on the asset levels available in our fee schedule.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you



indicating all the amounts deducted from the account including our advisory fees. See Item 15 for details.

At our discretion, you may pay the advisory fees by check or credit card. Fees can be paid via check directly to our firm from your personal bank account or can be invoiced and processed through a third-party nonaffiliated service, Card Connect. Clients will be asked to enter their bank account or credit card at Card Connect to enable credit card or ACH payments. While Card Connect allows firms like ours to receive payments directly from the client's credit card or bank account, it does not give our Firm access to the bank account itself, nor to any of the client's credit card or bank account information. ACFO is not able to initiate any additional payments via Card Connect as agreed upon and outlined in the Agreement.

You are encouraged to review your account statements for accuracy.

Either ACFO or the client may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the calendar quarter in which the cancellation notice was given. Depending on your billing arrangement and what is agreed to in the Agreement, any earned advisory fee will be billed to the client up to the date of termination. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

In no case are our fees based on, or related to, the performance of your funds or investments.

ACFO is the sponsor and portfolio manager of this Wrap Fee Program. ACFO receives investment advisory fees paid by our clients for investment advisory services covered under this Wrap Fee Program.

### **Other Types of Fees & Expenses**

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In addition to the advisory fees paid to ACFO, clients may also incur certain charges imposed by other third parties, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include custodial fees, fees charged by the Independent Managers, margin costs, 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, foreign exchange tax, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. ACFO's brokerage practices are described at length in Item 12, below.

There are certain securities or investments a client wishes to purchase or hold in their account. These investment products may carry fees from the delivering firm to the Custodian. Custodians may also charge an additional fee for select securities and/or alternative investments to be included in the holdings of their account. Our Firm will communicate in writing to the client on the Advisory Agreement or Addendum if our firm will be reimbursing these "holding" fees. The reimbursement of these unique situations are based on the total assets in the client portfolio and

client relationship. For some of the fee reimbursements, certain custodians do not allow our firm to directly reimburse additional fees directly into a client account. In those cases, the client reimbursement is processed and recorded with ACFO's quarterly billing statement.

### ***Treatment of Mutual Fund Share Classes***

Mutual funds often offer multiple share classes with differing internal fee and expense structures. Our firm's planning methodology does not include the purchase of mutual fund portfolios. However, if mutual funds are transferred to our platform, they may not be the lowest cost share class option. Other instances that may not include the lowest share class include:

These instances include but are not limited to:

- *Instances in which a certain custodian has a share class available that has a lower internal fee and expense structure than is available for the same mutual fund at other custodians:* In such instances, our Firm will select the lowest cost share class available at the custodian that holds your account even though a lower cost share class is available at another custodian.
- *Instances in which the custodian that holds your account offers others a share class with a lower internal fee and expense structure than what is available to our Firm at the same custodian:* In such instances, our Firm will select the lowest cost share class that the custodian makes available. This situation sometimes occurs because the custodian places conditions on the availability of the lower cost share class that our Firm has determined are not appropriate to accept due to additional costs imposed by said conditions.
- *Instances in which a share class with a lower internal fee and expense structure than the share class you currently hold is available at your custodian, but there are limitations as it relates to share class eligibility, custodian restrictions, or additional fees/taxes that the conversion would trigger:* Our Firm cannot convert to a share class with a lower internal fee and expense structure if the account is ineligible (e.g., the fund company only allows certain types of registration types to use the share class or the account doesn't meet the investment minimum for the share class) or if the fund company won't accept a conversion if the share amount is too small. Our Firm also cannot convert to a lower internal fee and expense structure if the custodian will not allow it (e.g., custodial restrictions). Also, our Firm does not convert to a share class with a lower internal fee and expense structure if the conversion will cause a taxable event or other expense/cost to you that negates the advantage of the lower cost share class.
- *Instances in which you make your own investment selections in a Client-Directed Account* In such circumstances, our Firm does not screen for the lowest mutual fund share class available.

Examples of the investments outside the typical securities that may have additional fees at the Custodian:

- *REITS* (To be billed by custodian - \$100 initial purchase fee, \$125 annual holding fee, \$100 redemption fee). ACFO pays the REIT fee. As indicated on the Advisory Agreement with ACFO, any legacy REITs held by client prior to their engagement with Alpha Capital are excluded from this arrangement and clients would be billed the annual holding fee for noted positions.
- *Private Investments* (To be billed by custodian - \$100 initial purchase fee, \$125 annual holding fee, \$100 redemption fee)

- *Charitable Donor Funds* – Fidelity bills an additional fee not to exceed 0.60% to accommodate for Charitable Donor Funds
- *American Depository Receipts*

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## ITEM 5 – Account Requirements & Types of Clients

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We provide investment advice to high-net-worth individuals, families, small businesses, institutions, pensions, charitable trusts and estates. Our firm requires a minimum household value of \$2,000,000 in order to provide advisory services to you. The firm may waive the account minimum upon the firm's discretion.

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## ITEM 6 – Portfolio Manager Selection & Evaluation

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### Portfolio Manager Selection

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ACFO serves as the sponsor and portfolio manager for our Wrap Fee Program.

### Related Persons

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Our firm's investment adviser representatives serve as the portfolio manager for the services under this Wrap Fee Program. We only manage this wrap fee program and we do not act as portfolio manager for any third-party wrap fee programs.

### Supervised Persons

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Our investment adviser representatives serve as the portfolio manager for the Wrap Fee Program described in this Wrap Fee Program Brochure. Please refer to the Items 4 and 8 of the Part 2A Disclosure Brochure for details on the services provided by our Firm. For information related to the background of our supervised persons, please see Items 9 and 11 of the Part 2A Disclosure Brochure.

### Advisory Business

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See Item 4 of this Wrap Fee Brochure for information about our wrap fee advisory program. We offer individualized investment advice to clients utilizing our Wrap Portfolio Management service.

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.

### Participation in Wrap Fee Programs

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We offer wrap fee accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### Performance-Based Fees & Side-By-Side Management

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We do not charge performance fees to our clients.

### Methods of Analysis, Investment Strategies & Risk of Loss

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We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We do this by analyzing the various securities, investment strategies, and third party management firms. The goal is to identify a client's risk tolerance, and then find investments with the maximum expected return for that level of risk.

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

We utilize both fundamental and technical analysis. We gather our information from a broad array of financial resources including financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various asset classes based on the investment strategy chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

From time-to-time, market conditions may cause your account to vary from the established allocation. To remain consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced to the original allocation, or if deemed beneficial, to a new allocation based on the then prevailing economic conditions and within the guidelines of the chosen investment strategy.

In addition to the rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation. Your account may also receive informal reviews more frequently.

Alternative investments are thought of as investments other than stocks and bonds. The alternative investment strategies we offer tend to move independently of stock and bond markets. The main goal of alternatives is to provide access to other return sources, with the potential benefits of reducing the risk of an investor's portfolio, improving returns, or both.

Our Firm may recommend alternative investments such as public non-traded real estate programs, public non-traded business development companies, and private real estate programs which have their own management fees and operating expenses. Therefore, these investments subject clients to Alpha's direct management fee and the indirect fees of the investment.

### **Investment Philosophy**

Prior to making recommendations, we determine your financial status, needs, time horizon, investment objectives, risk tolerance, and tax status. From this, we create an investor profile and

general asset allocation target. While we believe asset, allocation is a key factor affecting long-term rate of return, we also believe fundamental research and securities selection are vital. To that end, we select from a narrow, refined list of investments. We focus primarily on the people, processes, research, consistency, and culture as well as performance and track record.

As much as reasonably possible, we strive to:

- Diversify strategically with non-correlating assets.
- Balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible or as your goals and objectives dictate.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, ACFO is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

***Market Risk*** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

***Foreign Securities and Currency Risk*** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

***Capitalization Risk*** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

***Interest Rate Risk*** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Derivative Risk** — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Alternative Investments** - Investments classified as "alternative investments" may include a broad range of underlying assets including, but not limited to, hedge funds, private equity, venture capital, and registered, publicly traded securities. Alternative investments are speculative, not suitable for all clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment, which can include: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative investment practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; potential for restrictions on transferring interest in the fund; potential lack of diversification and resulting higher risk due to concentration of trading authority with a single advisor; absence of information regarding valuations and pricing; potential for delays in tax reporting; less regulation and typically higher fees than other investment options such as mutual funds. The SEC requires investors be accredited to invest in these more speculative alternative investments. Investing in a fund that concentrates its investments in a few holdings may involve heightened risk and result in greater price volatility.

**Liquidity Risk** - Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

**Cybersecurity Risk** - In addition to the Material Risks listed above, investing involves various operational and “cybersecurity” risks. These risks include both intentional and unintentional events at our firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm’s ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients’ information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

**Real Estate Investment Trusts (“REITs”)** - REIT are a form of security that trades like a stock on major markets yet participates in real estate projects. Most REITs focus on particular types of commercial development, such as apartments or office buildings. This concentration leaves them vulnerable to a downturn in this particular sector of real estate. Also, a high concentration of development in one community or geographic region may leave it vulnerable to a downturn in that area’s economy. Equity REITs own and manage income-producing real estate properties. Mortgage REITs purchase or originate mortgages on properties, not the properties themselves. Some REITs use leverage, which has potential for higher rewards, but comes with greater risks. Some REITs are private placements and thus are not traded on the stock exchange. These carry liquidity risk. Non-Traded REITs: These are publicly registered products that are not traded on a national securities exchange. For this reason, there is a very limited or no secondary market for shares. Thus, investors in these products have very few alternatives should they decide they need to liquidate their positions.

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**Margin Risk** - When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds through a margin account, securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account. Investing with margin is characterized by unique risks including amplified losses due to increased leverage; margin calls; forced liquidations; and additional fees including margin interest charges. In order to manage margin risk, we recommend leveraging responsibly (borrowing less than the amount available); keeping a diversified portfolio; and monitoring the

account and evaluating risk regularly. Before investing on margin, be sure to read the Margin Disclosure Statement provided by your custodian.

### **Voting Client Securities**

We will not vote proxies under our limited discretionary authority. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

*Class Action Suits* - A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

### **ITEM 7 – Client Information Provided to Portfolio Manager(s)**

Our firm is required to describe the type and frequency of the information it communicates to external managers that may be involved in managing its Clients' investment portfolios. ACFO serves as the sole portfolio manager under this Wrap Fee Program and, as such, we have no information to disclose regarding this Item.

### **ITEM 8 – Client Contact with Portfolio Manager(s)**

Our firm does not place restrictions on the client's ability to contact and consult their financial advisor. As the portfolio manager, clients are free to contact us at any time.

### **ITEM 9 – Additional Information**

All the information disclosed in Item 9 is for Wrap Fee Clients.

### **Disciplinary Information**

Our Firm does not have any legal disciplinary events, criminal or civil actions, material to a client's decision to choose to engage advisory services from our Firm.

### **Financial Industry Activities & Affiliations**

#### *Other Entities Under Common Ownership*

Our firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.



#### *Other RIA Affiliation and Registration*

An IAR of our firm is also registered with another unaffiliated independent State Registered Investment Advisor. It should be noted this is currently a dormant RIA with the State of Pennsylvania. Note that this individual would receive normal and customary fees, which are fully disclosed in the Firm's Form ADV, which is available by searching the CRD# 173502 through the Investment Advisor Public Disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and upon request. Since distinct services are offered through both RIAs, no conflict of interests exists.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### **Brokerage Practices**

We generally recommend that clients utilize the custody and brokerage services of Fidelity Institutional Wealth Services ("Fidelity") - referred as or the "Custodian") for investment advisory accounts. Our Custodians are independent and unaffiliated FINRA-registered broker-dealers. We may recommend that you establish accounts with these custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our custodians benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with one of these custodians may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the custodian.

We are independently owned and operated and not affiliated with these custodians. They provide us with access to their institutional trading and custody services. These services include brokerage,

custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at one of these custodians. We may recommend that you establish accounts with the custodians to maintain custody of your assets and to effect trades for your accounts. You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions. The custodian's execution quality may be different than other broker-dealers.

For our client accounts maintained in custody with a custodian, the custodian generally does not charge separately for custody but are compensated by account holders through 12b-1 fees and ticket charges. Broker-dealers such as Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions (for example, transaction fees are charged for certain no-load mutual funds and commissions are charged for individual equity securities transactions). When beneficial to the client, individual debt or equity transactions may be made through broker-dealers with whom we or the client have entered into arrangements for prime brokerage clearing services (in which event, the client shall incur both the transaction fee charged by the executing broker-dealer and a "trade-away" fee charged by the custodian).

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

Many of these services generally may be used to service all or a substantial number of our accounts. The custodians also make available to us other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the custodians may make available, arrange and/or pay for these services rendered to us by third parties. The custodians may discount or waive fees it

would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

We also receive certain additional economic benefits from the Custodian that may or may not be offered to any other independent investment Advisors participating in the program.

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a conflict of interest. IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty.

We will aggregate (combine) trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

We will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated.

No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;

- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, it will be allocated pro-rata based on the allocation statement;
- Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
- We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- Individual advice and treatment will be accorded to each advisory client.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis other than what is described above.

### **Unmanaged Assets**

From time to time, a Client may decide to hold certain securities or other property for which our Firm does not provide investment advisory services ("Unmanaged Assets") in the account(s) held at the Custodian or outside the Custodian. Requests to hold an Unmanaged Asset must be made in writing and require the approval of our Firm. Our Firm will have no duty, responsibility or liability whatsoever with respect to these assets, and therefore, our Firm will not charge an investment

advisory fee. However, if you have an account that solely contains Unmanaged Assets, the Custodian may charge an account maintenance fee as disclosed in the Custodian account paperwork executed by the Client. In all cases, it is the clients sole responsibility to monitor, manage, and transact all Unmanaged Assets (securities and/or accounts).

#### **Periods of Portfolio Inactivity**

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

We have contracted with Advyzon to utilize its technology platforms to support data reconciliation, performance reporting, research, client database maintenance, quarterly performance evaluations, payable reports, app administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Advyzon will have access to client accounts, but Advyzon will not serve as an investment advisor to our clients. ACFO and Advyzon are non-affiliated companies. Advyzon charges our Firm an annual fee for each account administered by Advyzon. Please note that the fee charged to the client will not increase due to the annual fee ACFO pays to Advyzon, the annual fee is paid from the portion of the management fee retained by ACFO.

#### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

#### **PRIVATE FUNDS**

In most cases, Private Funds are available only to a limited number of sophisticated investors who meet the definitions of an "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and "qualified client" under the Investment Advisers Act of

1940, or “qualified purchaser” under the Investment Company Act of 1940. Private Funds are considered “limited offerings” since they only accept a limited amount of funds for investment. When determining which clients should receive a recommendation to invest in a Private Fund, our Firm takes into account a number of factors, including but not limited to a client’s sophistication, risk tolerances and qualifications, investment objectives, liquidity needs, **family businesses and total new worth** and the amount of available investable assets. Our goal is to allocate in a fair and balanced manner; however, given these differing factors, the allocation of investment opportunities in Private Funds to clients is mainly subjective, and not all qualifying clients will be provided an investment opportunity. Additionally, there are times when one or more the Firm’s employees invest in certain Private Funds that are recommended to clients. When this occurs, a potential conflict exists and to address the potential conflict employees are required to receive prior written approval by the Chief Compliance Officer. It is important that qualifying clients receiving a recommendation to invest in a Private Fund read the offering or private placement memorandum prior to investing to fully understand the risks and potential conflicts pertaining to the Private Fund investment.

#### **Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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ACFO and persons associated with us are allowed to invest for their own accounts or to have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates the potential for a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm’s expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of ACFO, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm’s ethical principles.

We have established the following restrictions in order to ensure our firm’s fiduciary responsibilities:

1. A director, officer or employee of ACFO shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of ACFO shall prefer his or her own interest to that of the advisory client.

2. We maintain a list of all securities holdings and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of ACFO.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

## **Review of Accounts**

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### *Account Reviews and Reviewers – Investment Supervisory Services*

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by your individual Investment Advisor and are reviewed by the supervisor in charge. An annual review is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More-frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

### *Statements and Reports*

Through an agreement with Advyzo, ACFO will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by ACFO against the account statements you receive directly from your account custodian.

## **Client Referrals & Other Compensation**

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As referenced in Item 12 above, we may receive an indirect economic benefit from Fidelity. ACFO, without cost (and/or at a discount), may receive support services and/or products from Fidelity.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

We do not receive any compensation for client referrals.

### **Soft Dollars**

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Our firm does not accept any direct soft dollars.

Note that our recommended Custodian provides our firm and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to the Custodian's retail customers. Our recommended Custodians also make available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. The Custodian's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because there is an incentive to do business with our recommended Custodians. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies in this regard to mitigate any conflicts of interest.

### **Directed Brokerage**

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Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We generally recommend that clients utilize the custody, brokerage and clearing services of our recommended Custodians for investment advisory accounts. Each client will be required to establish their account(s) with this custodian, if not already established. Please note that not all advisers have this requirement.

## Financial Information

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

- We do not receive more than \$1200 in fees and six or more months in advance.
- We do not take custody of client funds or securities, except for our authorization to directly deduct fees as disclosed in item 4.
- We have never been the subject of a bankruptcy proceeding.
- We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.