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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of A. N. Culbertson & Company, Inc.. If you have any questions about the contents of this brochure, contact us at 434-972-7766. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about A. N. Culbertson & Company, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for A. N. Culbertson & Company, Inc. is 108341.

A. N. Culbertson & Company, Inc. 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.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated February 27, 2023, we have the following material changes to report:

- Item 12 Brokerage Practices - TD Ameritrade Institutional was acquired by Charles Schwab & Co., Inc. All existing TD Ameritrade accounts were transferred to Schwab's platform in September 2023. All disclosures related to TD Ameritrade have been removed and replaced with Charles Schwab references and disclosures specific to products and services provided by Charles Schwab

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Item 4 Advisory Business

We are a registered investment adviser based in Charlottesville, Virginia. We are organized as a corporation under the laws of the Commonwealth of Virginia. We have been providing investment advisory services since 1993. Our principal owners include Alan N. Culbertson and Sharon P. Culbertson. We offer wealth management services including asset management and financial planning.

As used in this brochure, the words "we," "our," and "us" refer to A. N. Culbertson & Company, Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Our asset management services are tailored to meet our clients' needs. We will meet with you to discuss your investment objectives, risk tolerance, time horizon, liquidity needs, and other relevant information. We will use the information we gather to develop a strategy for managing your investment assets. We will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio in response to changing market conditions or financial circumstances.

For our financial planning services, we will assess your personal financial situation (i.e. assets and debts, tax matters, estate planning issues, insurance, college funding, etc.), and then craft an action plan to pursue your financial goals. We do not provide tax or legal advice, but we may make recommendations regarding tax, estate, and insurance planning services, and can assist with arranging a meeting with an appropriate expert. Financial plans are based on your personal situation at the time we present the plan to you, and on financial information you provide to our firm. We cannot offer any guarantees or promises that your financial goals and objectives will be met. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan with our firm.

We generally offer advice on individual stocks, individual bonds, mutual funds, exchange-traded funds (ETF's), money market funds, and certificates of deposit (CD's). We advise clients on other types of securities or investment products as required or appropriate.

IRA 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.

Assets Under Management

We manage approximately \$600,424,770 on a discretionary basis and \$10,296,790 on a non-discretionary basis as of December 31, 2023.

Item 5 Fees and Compensation

Our fees for asset management and financial planning services is based on a percentage of your assets we manage. Our fees are calculated using the following fee schedule:

Assets Under Management	Annual Fee
First \$3 million	1.00%
Next \$2 million	0.75%
Over \$5 million	0.60%

The actual fee may be higher or lower depending on the size of the account and the services rendered. Individual clients may be on legacy fee schedules or negotiate alternative fee schedules.

Generally, fees for our services are payable quarterly in arrears based on account values at the end of each calendar quarter. Some current clients pay fees in advance on an annual basis based on account values at the end of November. We do not require current clients to pay fees in advance, and we do not offer new clients the option of paying fees in advance.

Pro-rated Fees

Fees Paid in Arrears

For clients paying quarterly in arrears, we will pro-rate our fee on any amounts greater than or equal to \$100,000 per day that are deposited or withdrawn during the billing period. If the advisory relationship with a client under this arrangement is terminated, they will owe a pro-rated fee as of the date of termination.

Fees Paid in Advance

For clients paying annually in advance, we will invoice a pro-rated fee on any amounts greater than or equal to \$100,000 per day that are deposited during the billing period. We will either refund any unearned fees or credit the next year's invoice to any client who withdraws 50% or more of the assets under management as calculated on the original billing invoice. If the advisory relationship with a client under this arrangement is terminated, we will refund any unearned fees.

At our discretion, we may charge a lesser asset management fee based on certain criteria (i.e. family relationships, client negotiations, charitable organizations, potential future assets, etc.) We will deduct our fee directly from your account through the qualified custodian holding your assets.

We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Your qualified custodian will deliver an account statement at least quarterly. These account statements will show all disbursements including our management fee from your account. You should review all statements for accuracy. In limited circumstances, upon

request, we may agree to invoice you directly for advisory fees. In such cases, fees will be payable as invoiced. We encourage you to reconcile our invoices with the statements you receive from your qualified custodian. If you find any inconsistent information between our invoice and these statements, please let us know.

Additional Fees and Expenses

In addition to the fees charged by our firm, you are responsible for various other investment expenses, including mutual fund or exchange-traded fund expenses, brokerage or transaction costs, custodian fees, etc. Our firm does not share in any portion of these fees. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange-traded funds, our firm, and others.

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

We do not accept performance-based fees or fees that are based on a share of capital gains or capital appreciation of a client's account.

We do not participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Item 7 Types of Clients

We offer wealth management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$1,000,000 to open and maintain an investment advisory account. At our discretion, we may waive this minimum account size for various reasons (for example anticipated future increases in assets, client referrals, or client family members).

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

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 information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

Fundamental Analysis involves the estimation of the intrinsic value of a security. We look at quantitative factors such as economic data, industry data, and corporate financial statements. We also look at qualitative factors including the quality of corporate management, regulatory conditions, geopolitical events, and the development of new technologies or business processes. The resulting analysis is used to estimate the relationship between intrinsic value and market price of a given security. Generally, we seek to buy securities that have an intrinsic value above the current market price.

There is a risk that information obtained through fundamental analysis may be incorrect and the analysis may not provide an accurate estimate of intrinsic value. This could lead to unfavorable investment decisions.

Long term purchases involve the intent to hold securities for a relatively long period of time, generally greater than one year. We generally employ this strategy when we feel a security is undervalued or we believe a client would benefit from exposure to a particular asset class.

A risk with long term purchases is that a client may not benefit from short-term market price fluctuations. Furthermore, a security could decline significantly in value before it is sold.

Short term purchases involve the intent to hold securities for a relatively short period of time, generally less than one year. We generally employ this strategy to take advantage of short term price fluctuations.

A risk with short term purchases is that a client may not benefit from a long term trend of price increases for a security. Additionally, capital gains realized from short term purchases are typically taxed at higher rates than those gains realized from long term purchases.

Margin Transactions indicates a transaction in which an investor borrows money to purchase a security. We generally employ this strategy to assist clients with short term funding or liquidity constraints.

Margin transactions increase the effect of market price movements within a client's portfolio. This can lead to losses greater than the funds deposited in an account. Additionally, a custodian can force the sale of client securities without prior notice to satisfy margin obligations.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot guarantee that our advisory services will provide a return superior to other investment strategies. We cannot offer any guarantees that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We primarily recommend exchange-listed equities, fixed income securities, ETFs, and mutual funds. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the market place and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its

weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund);
3. other investment adviser or financial planner;
4. futures commission merchant, commodity pool operator, or commodity trading adviser;
5. banking or thrift institution;
6. accountant or accounting firm;
7. lawyer or law firm;
8. insurance company or agency;
9. pension consultant;
10. real estate broker or dealer; and/or
11. sponsor or syndicator of limited partnerships.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our associated persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

From time to time, our employees do buy or sell the same securities that we buy or sell for clients. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below. You should consider these conflicts of interest when selecting your custodian.

How we select brokers/custodians

When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

Your brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us.

Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.

The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Directed Brokerage

We do not direct brokerage to any broker-dealer besides the client selected custodian. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Block Trades

We generally do not aggregate client trades, unless we decide to purchase or sell the same securities for several clients at approximately the same time. This practice is commonly referred to as "block trading". When client trades are aggregated, we will distribute the shares to participating accounts in a fair and equitable manner. Trades for accounts owned by our firm or employees may participate in block trading with your accounts; however, they will not be given preferential treatment.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts

We review client accounts regularly. Our firm's investment philosophy is formed by our Investment Committee and implemented by our individual advisors. Client accounts are reviewed daily for liquidity excesses or shortages. Each account is reviewed on an ongoing basis for appropriateness and relative value of the investments. All portfolios are reviewed at least semi-annually for conformity to current investment strategy and alignment with your goals and objectives.

Clients will receive reports from the custodian holding their funds and securities at least quarterly. Clients may also receive quarterly reports and commentary from us.

We will review your financial plan periodically to ensure that the planning advice and asset allocation recommendations made for you are consistent with your current investment needs and objectives. We will not provide regular written reports to you for financial planning and consulting services.

Item 14 Client Referrals and Other Compensation

Please refer to the "Brokerage Practices" section above for disclosures on research and other benefits we may receive resulting from our relationship with Charles Schwab.

We may receive client referrals from our part-time employees who are compensated solely based on referrals. We have executed written employee contracts with these individuals outlining their responsibilities and duties and the level of compensation to which they are entitled. If you are referred to us by one of these individuals, you will be required to sign an acknowledgment of shared fees and will not pay any higher fees as a result of these aforementioned arrangements. Incentive based compensation is contingent upon you entering into an advisory agreement with us. Therefore, the individual has a financial incentive to recommend us to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain us for advisory services. Comparable services and/or lower fees may be available through other firms.

Item 15 Custody

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact your custodian directly.

Trustee Services

Persons associated with our firm may serve as trustees to certain accounts for which we also provide investment advisory services. In all cases, the persons associated with our firm have been appointed trustee as a result of a family or personal relationship with the trust grantor and/or beneficiary and not as a result of employment with our firm. Therefore, we are not deemed to have custody over the advisory accounts for which persons associated with our firm serve as trustee.

Standing Letter of Authorization

Our firm, or persons associated with our firm, may effect transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;

5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Item 16 Investment Discretion

We accept discretionary authority over client accounts. Clients willing to give us discretionary authority must give us a limited power of attorney to make trades on their behalf. Clients may place any limitations on this authority that they choose.

For current non-discretionary clients with our firm, we will obtain your approval prior to the execution of any transactions for your account(s).

Item 17 Voting Client Securities

We will not vote proxies on your behalf. At your request, we may offer advice regarding proxy actions. You are responsible for exercising your proxy or voting rights. You will receive proxy materials directly from your custodian.

Item 18 Financial Information

Certain legacy clients are required to prepay more than \$1,200 in advisory fees per client, six or more months in advance; therefore, for those clients we have included a balance sheet for our most recent fiscal year with this disclosure brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower

capital gains tax rate.

10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.