



**Part 2A of Form ADV: Firm Brochure**

**Footprints Asset Management & Research, Inc.**

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This brochure provides information about the qualifications and business practices of Footprints Asset Management & Research, Inc. (FAMR). If you have any questions about the contents of this brochure, please contact us at 402-445-9333 or [info@famr.com](mailto:info@famr.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FAMR also 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. Our firm's CRD number is 128040.

**Item 2     Material Changes**

None

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**Item 4 Advisory Business**

FAMR is a SEC-registered investment adviser with its principal place of business located in Nebraska. FAMR began conducting business in June 2003.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Stephen J Lococo, President

FAMR offers the following advisory services to our clients:

**INVESTMENT SUPERVISORY SERVICES ("ISS")  
INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on our Risk Managed Model Portfolios and Absolute Value. We thoroughly discuss our philosophies with prospects to ensure that their selection of portfolio management style of investing is in alignment with their investment objectives and risk tolerance for the assets to be invested. Regardless of philosophy selected, risk and volatility are inherent in investing, and loss of capital may result. We manage advisory accounts on a discretionary basis. Account supervision is guided by each client's selection of investment philosophy. Tax considerations are taken on an individual basis. It is our belief that if a client's portfolio is generating capital gains, the client should use those gains to pay for the tax liability they created. Realizing a capital loss from a current position may destroy more value than

paying taxes on realized gains.

Our styles of investing are focused on long term (3 - 5 years minimum) wealth creation and accounts with FAMR should be treated as investment accounts. Clients are encouraged to utilize funds outside of their FAMR account(s) for on-going cash requirements.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities (stocks and ETFs)
- Securities traded over the counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Covered call option contracts on securities
- Mutual Funds

Because some types of investments involve certain additional degrees of risk, prospects should thoroughly understand our investment philosophy prior to investing with FAMR. Clients not investing for the long term should not invest their assets with FAMR. Individual portfolio tailoring is done by exception on a client-by-client basis and is restricted to our Separately Managed Account (SMA) offering.

As of December 31, 2023, FAMR managed \$36,962,297 in assets.

## **IRA Rollover Recommendation Disclosure**

A plan participant leaving an employer sponsored savings plan such as a 401(k) typically has four options (and may engage in a combination of these options):

- leave the money in his former employer's plan, if permitted.
- roll over the assets to his new employer's plan if one is available and rollovers are permitted.
- roll over to an IRA; or
- cash out the account value.

Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. As a fiduciary we have an obligation to evaluate these advantages and disadvantages, disclose any conflicts of interest, and together with you, the client, develop a strategy that is in your best interest.

## **Considerations**

We as your advisor have fiduciary responsibilities when recommending a rollover or transfer of assets in an employer-sponsored retirement plan to an Individual Retirement Account (IRA) to be managed by us.

Accordingly, a recommendation to roll over plan assets to an IRA rather than keeping assets in a previous employer's plan or rolling over to a new employer's plan, should reflect consideration of various factors, the importance of which will depend on the client's individual needs and circumstances. Some of the factors include:

## **Investment Options:**

An IRA is an alternative to leaving your retirement funds in your employer's plan. An IRA often enables you to select from a broader range of investment options than a plan. The importance of this factor will depend in part on how satisfied you are with the options available under the plan under consideration.

## **Services:**

You may wish to consider the different levels of service available under each option, including the availability of investment advice, financial planning, and related services.

## **Fees and Expenses:**

Both plans and IRAs typically involve (i) investment-related expenses and (ii) plan or account fees. Certain employers may pay for some of all of the plan's administrative expenses, whereas IRA custodians may not charge, or may waive, administrative expenses. Investment-related

expenses may include sales loads, commissions, the expenses of any mutual funds in which assets are invested and investment advisory fees.

### **Penalty-Free Withdrawals:**

If you leave your job between age 55 and 59½, you may be able to take penalty-free withdrawals from a plan. In contrast, penalty free withdrawals generally may not be made from an IRA until age 59½, with a few exceptions. You may also be able to borrow from a plan.

### **Protection from Creditors and Legal Judgments:**

Generally speaking, plan assets have unlimited protection from creditors under federal law, while IRA assets are protected in bankruptcy proceedings only. State laws vary in the protection of IRA assets in lawsuits.

### **Required Minimum Distributions:**

Once you reach age 72, the rules for both plans and IRAs require the periodic withdrawal of certain minimum amounts, known as the required minimum distribution. If you are still working at age 72, however, you generally are not required to make required minimum distributions from your current employer's plan. This may be advantageous if you plan to work into your 70s.

### **Employer Stock:**

If you hold significantly appreciated employer stock in a plan you should consider the negative tax consequences of rolling the stock to an IRA. If employer stock is transferred in-kind to an IRA, stock appreciation may be taxed as ordinary income upon distribution. The tax advantages of retaining employer stock in a non-qualified account should be balanced with the possibility that you may be excessively concentrated in employer stock. It can be risky to have too much employer stock in one's retirement account; for some investors, it may be advisable to liquidate the holdings and roll over the value to an IRA, even if it means losing long-term capital gains treatment on the stock's appreciation.

### **Conflicts of Interest:**

A recommendation that you roll over plan assets to an IRA into a managed account includes an implicit conflict of interest as we will earn a management fee for managing the assets. In contrast, a recommendation that you leave your plan assets with your old employer or roll the assets to a plan sponsored by a new employer likely results in little or no compensation for us. This conflict must be disclosed to you and your evaluation of the conflict is one of the factors that must be evaluated in making the recommendation.

## Pricing of Securities

FAMR has adopted the provisions of SFAS No. 157, "Fair Value Measurements" (SFAS No. 157), that became effective January 1, 2008. Under SFAS No. 157, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. Although FAS 157 specifies a measurement or valuation date, it does presume the asset/liability's exposure to the market for a certain period to allow for usual and customary market activities.

In determining fair value, FAMR uses various valuation approaches. SFAS No. 157 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of FAMR. Market participants are buyers and sellers who are independent, knowledgeable, willing, and able to transact for the subject asset or liability in its principal or most advantageous market. Unobservable inputs reflect FAMR's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that FAMR can access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

**Level 2** - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Level 2 inputs include:

- A. Quoted prices for similar assets or liabilities in active markets.
- B. Quoted prices for identical/similar securities in markets that are not active, i.e., in which there are few transactions for the security, the prices are not current, or price quotations vary over time or among market makers (some brokered markets), or in which little information is released publicly (a principal-to-principal market).
- C. Observable inputs other than quoted prices for the security (e.g., interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- D. Inputs that are derived principally from or corroborated by observable market data by

correlation or other means (market-corroborated inputs).

**Level 3** - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by FAMR in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is

determined by the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Market participants are buyers and sellers who are independent, knowledgeable, willing, and able to transact for the subject asset or liability in its principal or most advantageous market. Therefore, even when market assumptions are not readily available, FAMR's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. FAMR uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observable prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

## **Procedures**

### *Valuation Techniques*

FAMR has outsourced portfolio accounting to Black Diamond (BD), a subsidiary of SSC/Advent. Black Diamond values all securities held in client accounts daily utilizing pricing services including but not limited to Interactive Data Exchange.



BD values investments in securities and securities sold short that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market. These are categorized as Level 1 securities.

The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), or dealer market bid-ask inputs. Corporate bonds may be categorized as Level 1 or 2 securities. In instances where significant inputs are unobservable, they are categorized as Level 3 securities.

CMBS and ABS are estimated using recently executed transactions, market price quotations (where observable), or dealer market bid-ask inputs. CMBS and ABS are categorized as Level 2 securities when external pricing data is observable and as Level 3 when external pricing data is unobservable.

### *Dealer Market Inputs*

Certain securities (those in dealer markets) use inputs based on bid and ask prices that can be observed in the marketplace. The bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. For securities whose inputs are based on bid-ask prices, FAMR's valuation policies require that fair value be within

the bid-ask range. For those securities valued by using a broker's quote, FAMR will determine whether the quote or price is based on actual transactions, reflects the willingness of the broker to trade at that price, or is based on a model or another methodology. When the information is based on other than actual transactions, FAMR will periodically go back and compare the actual prices realized on any sale to the fair values used. Then, determine the reasons for any wide gaps and implement improvements in pricing processes.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

The annual fee, for Investment Supervisory Services for our Risk Managed Model Portfolios and Absolute Value invested SMAs, is charged in arrears as a percentage of assets under management based on the value on the last business day of the quarter, including assets purchased on margin, according to the following schedule:

<b>Assets Under Management</b>	<b>Annual Percentage Fee</b>
\$0 to \$100,000	2.00%
\$100,001 to \$500,000	1.75%
\$500,001 to \$1,000,000	1.50%
\$1,000,001 and above	1.00%

While a minimum of \$200,000.00 of assets **per account** is recommended, it is negotiable. Due to the negotiability of account minimums, client minimums will vary. FAMR groups household related accounts for the purpose of determining quarterly fees and distributes fees pro-rata across household accounts. Fees are directly debited from client accounts quarterly unless specifically directed otherwise by client. Clients are encouraged to review custodial statements for accuracy of fees. Should any discrepancy be identified, clients should contact FAMR directly.

SMA clients are permitted to transfer and hold securities outside our style of investment within their FAMR account. FAMR will **not** include these assets in the management fee calculation; thus, we will not provide reporting on or supervision of those positions.

**Limited Negotiability of Advisory Fees:** Although FAMR has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include total assets to be placed under management, anticipated future additional assets and related accounts. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts not generally available to our advisory clients may be offered to staff and family members and friends of associated persons of our firm.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 13) of this Form ADV for additional information.

**Mutual Fund Fees:** All fees paid to FAMR for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**General Information**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason. FAMR will provide **30** days written termination notice to our client. Clients are encouraged to provide prior notice. Upon termination of any account, the client will be charged for the advisory services rendered up to the day of termination. Final invoice will be mailed to client and fees will be debited from client's account(s) if possible. Otherwise, FAMR will invoice client directly.

***Grandfathering of Minimum Account Requirements:***

Advisory clients are subject to FAMR's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** FAMR is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, FAMR may only charge fees for investment advice about products for

which our firm and/or our related persons do not receive any commissions or 12b-1 fees, *or conversely*, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset FAMR's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Prepayment of Fees:*** FAMR charges quarterly advisory fees in arrears and under no circumstances do we require or solicit payment of fees in advance of services rendered.

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

We do not accept any performance-based fees.

**Item 7 Types of Clients**

FAMR provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans (other than plan participants)
- Investment Companies (mutual fund)

- Corporations or other businesses not listed above.

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **Methods of Analysis: Absolute Value Investing and Risk Managed Model Portfolio Investing**

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

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Technical Analysis.*** We analyze past market

movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

***Cyclical Analysis.*** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

We use the following strategy(ies) in managing client accounts. Prospective clients and clients with changing needs should consider the appropriateness of such strategy(ies) to their investment objectives, risk tolerance, and time horizons, among other considerations.

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, or not overvalued.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Margin transactions.** For our invested SMAs, we may purchase stocks and bonds for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. Client accounts will be charged interest on the funds borrowed at the prevailing custodial rate. FAMR charges advisory fees on securities purchased on margin.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the buyer the right to buy an asset at a

certain price within a specific period of time.

- A put gives the buyer the right to sell an asset at a certain price within a specific period of time.

We limit our option strategy to "covered calls", in which we sell call options on securities clients own in our SMA accounts. In this strategy, clients receive a premium (cash) for making the option available, and the person purchasing the option has the right to buy the underlying security from clients at an agreed-upon price (strike price). Execution costs to trade options is relatively higher than execution cost to trade the underlying equity.

**Risk of Loss.** Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk and time horizon for assets invested. More specifically, you must be willing to accept some risk to initial principle and tolerate some volatility to seek higher returns, with an understanding you could lose a portion or all of account assets.

## **Risk Management**

Our Risk Managed Model Portfolios attempt to mitigate risk through various strategies. The strategies include portfolio diversification at the market capitalization level (large, mid, and small capitalized companies), sector and/or industry level and asset class level (cash, equity, fixed income, and derivatives). We also set asset level price triggers high and low on our positions. These triggers highlight areas of needed attention and

allow for timely decision making. We also conduct periodic account rebalancing back to model portfolio metrics, keeping client accounts in line with their objectives.

### **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

#### **Other pooled investment vehicles**

None

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

FAMR and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Footprints Asset Management & Research has adopted the following principles governing personal investment activities by Footprints Asset Management & Research's supervised persons:

Within 30 days of employment, access persons must transfer all outside held accounts; if it is not possible, then FAMR must directly receive copies of statements as an interested party;

The interests of client accounts will at all times be placed first;

Access persons should aggregate personal trades with client trades whenever appropriate and obtain clearance from portfolio managers prior to any other equity and bond trades via email. Periodic investment transactions in Footprints Discover Value Fund or other mutual funds, and ETFs do not require preclearance; and

All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.

FAMR's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

FAMR and individuals associated with our firm are

prohibited from engaging in principal transactions unless prior client consent has been obtained. Transactions will be done at the mid-point of the current bid ask of the position as indicated by the executing broker.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@famr.com](mailto:info@famr.com), or by calling us at 402-445-9333.

## **Item 12 Brokerage Practices**

FAMR will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help FAMR in providing investment management services to clients. FAMR may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, FAMR may direct brokerage transactions for clients'

portfolios to brokers who provide research and execution services to FAMR and, indirectly, to FAMR's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. FAMR does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. FAMR may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if FAMR determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its ('brokerage') discretionary client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research

services. The cost of such "mixed-use" products or services will be fairly allocated and FAMR makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When FAMR uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that FAMR does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Within our last fiscal year, we have obtained the following products and services on a soft-dollar basis:

Bloomberg Research

NYSE Data

BCA Research

### **Trade Aggregation**

The aggregation or blocking of client transactions allows an adviser to execute transactions in a more

timely, equitable, and efficient manner and seeks to reduce overall trade executing fees to clients. Our firm's policy is to aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price.

FAMR will typically aggregate trades among clients whose portfolios are above 100k. Those accounts below 100k may not receive the same execution as those clients that participate in aggregated trades. We are not able to provide block trading for any account held at Hilltop Securities, through GVC Capital, regardless of the level of the account.

FAMR's block trading policy and procedures are as follows:

1) The portfolio manager must reasonably believe that the order aggregation will benefit and will enable FAMR to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

### **Trade Allocation**

2) The allocation of shares across Absolute Value SMA accounts targets a percent of ownership in a



security. The portfolio manager or designee will allocate shares to client accounts based on level of ownership and other factors but not limited to:

- current cash availability
- margin buying power
- frequency of distribution requests
- upcoming distribution requests
- general or specific client restrictions
- household exposure to position
- tenure of client
- level of account assets
- on-going investment contributions

Based on the firm's knowledge of each clients' circumstances and portfolio history, the portfolio manager or designee will allocate shares to those accounts that have passed the initial filters. This may advantage or disadvantage clients based on their circumstance.

The investment process of becoming fully invested in a position takes time. As the managers step into a position, shares will tend to be allocated to accounts with lower ownership percentage. Our goal is to allocate whole lots to client accounts to reduce the transaction costs of multiple allocations. Though, the price may move away from the portfolio manager's target, ceasing the purchase of additional shares for unallocated portfolios, until such time the price aligns with the portfolio manager's target. This may not happen, creating a potential conflict of

interest in allocating whole lots to clients vs. pro-rate shares across all accounts.

As partial sell lots are filled, whether the manager is lightening up on a position or selling out of a position, we will allocate shares on a descending order to accounts with the highest percentage of the asset owned. Our goal is to allocate whole lots to client accounts to reduce the transaction costs of multiple allocations. We reserve the right to use discretion to allocate on a pro-rata basis.

### **Risk Managed Model Portfolio SMAs**

The Portfolio manager will allocate on a Pro-Rata basis amongst all participating client accounts based on total shares executed compared to pre-trade allocation.

3) Absolute Value Portfolio manager and the Risk Managed Models Portfolio manager only allocates shares purchased or sold to one group of advisory clients.

4) FAMR's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

5) Funds and securities for aggregated orders are clearly identified on FAMR's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

6) SMAs are allocated as to not favor one over another. Proprietary accounts of the adviser and employees of FAMR may be allocated shares prior to full allocation to client accounts. Client accounts are allocated shares based on an average price obtained for the aggregated block trade.

7) FAMR will periodically conduct post-execution trade reviews of allocations and executions to ensure that no client or group of clients benefited from FAMR's trade allocation and execution practices over time.

8) FAMR will review employee trades to ensure that employees do not receive more favorable execution prices than the portfolios managed by the firm.

9) Risk Managed Model Portfolios are rebalanced periodically. Portfolio Manager aggregates buys and sells per position. Portfolio Manager then allocates the executed shares per account parameters. If all shares are not executed as required to fully rebalance client accounts, Portfolio Manager will allocate to client accounts pro-rata.

### **Brokerage Accounts**

Charles Schwab & Co., Inc.

FAMR may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the

client's decision to custody assets with Schwab. FAMR is independently owned and operated and not affiliated with Schwab.

Schwab provides FAMR with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit FAMR but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client

accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to FAMR. Schwab Institutional 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 our

firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Directed Brokerage**

Clients may direct all or a portion of their account transactions to one or more brokers. In such cases, it is FAMR's policy that the client must negotiate execution costs/commissions or other fees associated with trading the account with the broker. FAMR may not be able to obtain best execution in directed brokerage cases and cannot aggregate the account trades with other client trades.

### **Best Execution Review**

1. FAMR will periodically review our policies and procedures that are used to allocate brokerage business and the types of arrangements entered into on behalf of our clients and the Fund, including arrangements for directing brokerage in exchange for payment of expenses or receipt of research;
2. With respect to each broker to whom brokerage is allocated, we will track and retain

records of:

- a. The name of the broker
- b. Commission Rate/share (including soft dollars)
- c. Our execution average price vs. Volume Weighted Average price
- d. Overall execution performance

Trade executions will be adjusted according to findings that are not consistent with achieving best execution for client and fund transactions.

### **Item 13 Review of Accounts**

#### **Investment Supervisory Services (ISS) Individual Portfolio Management**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly by your portfolio manager. Accounts are reviewed in the context of absolute value investing or risk managed model portfolios and each client's specific restrictions. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Steve Lococo, Portfolio Manager and President or Zach Houston, Portfolio Manager.

**REPORTS:** Separately Managed Account clients will receive a custodial statement for any given month activity is recorded in their account. Additional reporting is at the discretion of each portfolio manager and per the request of clients.

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

It is FAMR's policy to allow for the engagement of solicitors. We currently have no agreements in place.

We do not pay related or non-related persons for referring potential clients to our firm.

It is FAMR's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In 2017, the SEC made policy that any standing letter of authorization on a client account to transfer funds to third parties constitutes custody of client assets. It is FAMR's policy to **not** hold any standing letter of authorization instructions for third party transfers. Clients will be required to sign authorization paperwork for each requested third party transaction. Third party transfers include, but not limited to, transfer of assets from client account to an account without the client named, or an account which the client is named but a third party not residing in the same household as the client is named.

Furthermore, clients must sign wire authorization instructions to wire funds to like titled accounts.

Our firm has constructive custody of client accounts, but we are not required to have a surprise audit annually.

### **Item 16 Investment Discretion**

Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell
- determine where to buy or sell the securities (selection of executing broker)
- determine the broker/dealer to custody assets

Clients give us discretionary authority when they sign FAMR'S Advisory agreement.

### **Item 17 Voting Client Securities**

We vote proxies for all client accounts; however, clients always have the right to vote proxies themselves. You can exercise this right by NOT selecting the option within Schwab's account paperwork and by selecting the option in FAMR'S Advisory agreement that you want to vote proxies in your account.

FAMR will vote proxies in the best interests of its clients and in accordance with our established policies and procedures.

- Footprints Asset Management & Research will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflicts of interest raised by an auditor's non-audit services.
- Footprints Asset Management & Research will generally vote against proposals that cause board

members to become entrenched or cause unequal voting rights.

Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies.

If our firm has a potential or actual conflict of interest in voting a particular action, we may notify clients. If the proxy proposal is a Routine Proxy Proposal, FAMR will typically adhere to the standard procedure of referring to the principles and guidelines described within our policy in deciding how to vote. Alternatively, FAMR may disclose the conflict to our clients and obtain their consent before voting or seek the recommendation of an independent third party in deciding how to vote.

If the proxy proposal is a Non-Routine Proxy Proposal, FAMR will take an appropriate course of action as described in our policy.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting the office by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will ***neither advise nor act on behalf of*** the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner. With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact the office by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at [info@famr.com](mailto:info@famr.com) or 402.445.9333.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in advance. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable

likely to impair our ability to meet our contractual obligations.

FAMR has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: Brochure Supplement**

Stephen J Lococo  
11422 Miracle Hill Dr. Ste. 208  
Omaha, NE 68154  
402.445.9333

Footprints Asset Management & Research, Inc.

Omaha, NE 68154

02/01/2024

This brochure supplement provides information about Stephen J Lococo that supplements the FAMR brochure. You should have received a copy of that brochure. Please contact our office if you did not receive Footprints Asset Management & Research, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Stephen J Lococo is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Stephen J Lococo

**Born:** 1956

**Education**

- University of Nebraska; BA, Finance; 1979

**Business Experience**

- Kirkpatrick Pettis
  - Registered Representative; from 01/1990 to 12/2001
  - IAR; 02/1992 TO 12/2001
- Smith Hayes
  - Registered Representative; from 01/2002 to 05/2003
  - IAR; FROM 01/2002 to 05/2003
- GVC Capital, LLC
  - Registered Representative; from 6/2003 to 12/31/2016
- Footprints Asset Management & Research, Inc.
  - President, Portfolio Manager
  - IAR from 6/2003 to Present



### **Item 3 Disciplinary Information**

Stephen J Lococo has no reportable disciplinary history.

### **Item 4 Other Business Activities**

#### **A. Investment-Related Activities**

Stephen J Lococo is not engaged in the other investment-related business or occupation that provides substantial compensation or involves a substantial amount of his time.

#### **B. Non Investment-Related Activities**

Stephen J Lococo is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### **Item 5 Additional Compensation**

Stephen J Lococo does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### **Item 6 Supervision**

**Supervisor:** Zach Houston

**Title:** Portfolio Manager

**Phone Number:** 402.445.9333

**Part 2B of Form ADV: Brochure Supplement**

Zach Houston  
11422 Miracle Hill Dr. Ste. 208  
Omaha, NE 68154  
402.445.9333

Footprints Asset Management & Research, Inc.

Omaha, NE 68154

02/01/2024

This brochure supplement provides information about Zach Houston that supplements the FAMR brochure. You should have received a copy of that brochure. Please contact our office if you did not receive Footprints Asset Management & Research, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Zach Houston is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Zachary Ryan Houston

**Born:** 1990

**Education**

- University of Nebraska; Bachelor of Science in Business Administration (BSBA), 2015
- Creighton University; MBA, Master of Business Administration; 2018
- Creighton University; MIMFA, Master of Investment Management & Financial Analysis; 2018

**Business Experience**

- Footprints Asset Management & Research, Inc.
  - Research Analyst from 5/2015 to present
  - Portfolio Manager from 4/2020 to present
  - IAR from 08/2015 to Present

**Item 3 Disciplinary Information**

Zach Houston has no reportable disciplinary history.

**Item 4 Other Business Activities**

A. Investment-Related Activities

None

B. Non Investment-Related Activities

None

**Item 5 Additional Compensation**

Zach Houston does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6 Supervision**

**Supervisor: Steve Lococo**

**Title:** President

**Phone Number:** 402.445.9333