

# **Financial Institution Services, LLC**

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**<http://www.adviceman.net/>**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Financial Institution Services, LLC. If you have any questions about the contents of this brochure, contact us at 248-661-8190. 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 Financial Institution Services, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Financial Institution Services, LLC is 145269.

Financial Institution Services, LLC 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 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 March 17, 2023, we have the following material changes to report:

- Persons associated with our firm are no longer registered representatives of a broker/dealer. We have amended Items 5, 10, and 14 to remove references to registered representative registration. Persons associated with our firm no longer receive commission as broker/dealer registered representatives. With this change, we no longer have a conflict of interest in receiving securities commission in addition to advisory fees.
- Persons associated with our firm are no longer licensed as insurance agents. We have amended Items 5, 10, and 14 to remove references to insurance licensing. Persons associated with our firm no longer receive commission for the sale of new insurance products. However, persons associated with our firm may earn trailing commission for legacy insurance products sold previously.

Our brochure may be requested by contacting David Shink, President & Chief Compliance Officer, at 248-661-8190. Additional information about Financial Institution Services, LLC is available by accessing the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Financial Institution Services, LLC who are registered, or are required to be registered, as investment adviser representatives of the firm.

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## Item 4 Advisory Business

### Description of Firm

Financial Institution Services, LLC is a registered investment adviser based in Las Vegas, Nevada. We are organized as a limited liability company ("LLC") under the laws of the State of Michigan. We have been providing investment advisory services since December 11, 2007. We are owned by David Shink.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Financial Institution Services, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Asset Management Services

We offer discretionary, and in some cases non-discretionary, asset management services that are tailored to meet our clients' needs and investment objectives. If you retain our firm for asset management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we will develop an asset allocation strategy consistent with your investment objectives, financial and tax status, risk tolerance and time horizon. Your assets will then be invested in a portfolio which may include mutual funds, individual equities, bonds, warrants, exchange traded funds ("ETFs"), or other appropriate securities products.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Each asset allocation strategy shall consist of a mix of fixed income and equity investments. The fixed income allocation may include one or more of the following: (a) cash; (b) money market funds; (c) U.S. government securities; (d) foreign government bonds; (e) U.S. corporate debt; (f) foreign corporate debt; (g) municipal securities; (h) fixed income mutual funds; and (i) any other appropriate fixed income investment. The equity portion of the allocation may include one or more of the following: (a) individual stocks which are exchange listed; (b) individual stocks which are traded over the counter; (c) individual stocks issued by foreign corporations; (d) equity mutual funds; (e) interests in direct participation programs; (f) ETFs and (g) any other appropriate equity investment. You may impose restrictions on investing in certain securities or types of securities.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

Once the asset allocation strategy is determined, your existing assets may be liquidated (or transferred into the appropriate account) and invested into the appropriate investment vehicles. Reallocation of assets may trigger taxable events except where Individual Retirement Accounts, 401(k) Accounts, 403(b) Accounts, or other qualified retirement plans, or accounts are involved.

In order to provide discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be

purchased or sold for your account without obtaining your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

### **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.

### **Wrap Fee Programs**

We do not participate in any wrap fee program.

### **Types of Investments**

We offer advice on all the securities discussed above in our Asset Management Services. Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

### **Assets Under Management**

As of December 31, 2023, we provide regular and continuous management services for \$173,199,010 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Asset Management Services**

Our fee for portfolio management services is based on a percentage of the assets in your account and is set forth in the following annual, linear fee schedule:

## Annual Fee Schedule

| <b>Assets Under Management</b> | <b>Annual Fee</b> |
|--------------------------------|-------------------|
| \$0 - \$500,000                | 1.00%             |
| \$500,001 - \$1,000,000        | 0.85%             |
| \$1,000,001 - \$1,500,000      | 0.75%             |
| \$1,500,001 - \$2,000,000      | 0.65%             |
| Over \$2,000,000               | 0.50%             |

Our annual portfolio management fee is billed and payable, quarterly in arrears, based on the balance at the end of billing period. The maximum annual fee for participation in the asset management services program is 1.00%. Fees are generally not negotiable, but may be negotiated in some limited circumstances, at our sole discretion. In some cases, clients may be subject to a different, lower fee schedule in effect at the time of their initial engagement with our firm.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above. Illiquid assets (e.g. partnerships, illiquid REITs, savings accounts, CD's) are not included in the calculation of assets under management and advisory fees.

Advisory fees are deducted from your account when due. We will liquidate money market shares to pay the fees and, if insufficient money market shares or cash are available, other investments will be liquidated to pay the fees. The investment(s) to be liquidated will be selected at random. Authorization for the automatic deduction of fees from your accounts is contained in the Investment Advisory Agreement. As required by applicable regulations, deduction of management fees will be made by the qualified custodian holding your funds and securities. Further, the qualified custodian agrees to deliver a monthly or quarterly account statement directly to you showing all disbursements from the account. You are encouraged to review all account statements for accuracy. We will receive a duplicate copy of the statement that was delivered to you in order to form a reasonable belief that such statements were delivered to you. You may terminate authorization for automatic fee deduction of advisory fees by notifying us in writing.

You will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party may terminate the investment advisory agreement with 5 days written notice. Since fees are payable after services are provided, there are no unearned fees and you are not due a refund upon early terminate of an investment advisory contract. However, the Advisor's fees are prorated to the date of termination.

## **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. The fees charged to clients for each program are calculated as described in the above program specific descriptions. Lower fees for comparable services may be available from other sources. 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. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

Persons providing investment advice on behalf of our firm were previously licensed as independent insurance agents. These persons will earn commission-based compensation in the form of trail commissions, for insurance products sold previously, including insurance products they may have sold to you. Trail insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to maintain insurance products previously sold to you for the purpose of generating trail commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to hold insurance products through any person affiliated with our firm.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets).

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, including high net worth individuals, trusts, estates, charitable organizations, and corporations or business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

## **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:

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Buy and Hold** - (passive management) - A long term investment strategy based on the view that in the long run financial markets give a good rate of return despite periods of volatility or decline. This viewpoint also holds that short term market timing, i.e. the concept that one can enter the market on the lows and sell on the highs, does not work so it is better to simply buy and hold.

**Strategic Asset Allocation** - A strategy that involves the establishment of a long-term target allocation in major asset classes such as stocks, bonds, and cash based on portfolio objective, risk tolerance, and time horizon.

The strategies described above may utilize a combination of long term purchases (securities held at least a year) and short term purchases (securities sold within a year). Frequent trading in your account can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investment strategies and recommendations may be based upon consideration of any of the following:

- Diversification - for the purpose of balancing risk while maintaining the possibility of gain; or,
- Risk Factors - including the risk of capital loss (market risk) and the risk of loss of purchasing power (inflation risk), and the your understanding of, and financial ability to bear, such risks; or,
- Asset Balance - taking into consideration short and long-term liquidity needs, blending of lesser



- and greater risk approaches, and combining income, growth, and safety concepts; or,
- Discipline - emphasizing commitment and follow through over a reasonable period of time in order to permit the investment plan or recommendations to achieve the intended/pursued result; or,
- Income Tax Considerations, but these should not replace the economic benefits as the principal determinant of investment decisions.

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.**

### **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.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. 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 offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with you in defining the investment policies and objectives that will guide investment decisions for your accounts. You must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with you, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. It is still your responsibility to ask questions if you do not fully understand the risks associated with any investment. You are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

Risks associated with the strategies described below may include:

- Capital risk - The risk that your investments may lose value.
- Currency risk - If the assets you invest in are held in another currency there is a risk that currency movements alone may affect the value.
- Financial risk - The risk that there may be a disruption in the internal financial affairs of the investment, thereby causing a loss of value.

- Market risk - The risk that the value of a security or portfolio will decrease due to the change in value of the overall market.
- Credit risk - The risk of loss arising from a borrower who does not make payments as promised.
- Interest rate risk - The risk that an interest-bearing asset, such as a bond, will lose value due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

### **Recommendation of Particular Types of Securities**

We recommend various types of securities and we do not primarily recommend one particular type of security over another 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. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

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.

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 the 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.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst-case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Warrants: A warrant is a derivative (security that derives its price from one or more underlying assets) that confers the right, but not the obligation, to buy or sell a security - normally an equity - at a certain price before expiration. The price at which the underlying security can be bought or sold is referred to as the exercise price or strike price. Warrants that confer the right to buy a security are known as call warrants; those that confer the right to sell are known as put warrants. Warrants are in many ways similar to options. The main difference between warrants and options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months. Warrants do not pay dividends or come with voting rights.

## 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. Neither the firm nor anyone associated with the firm has been subject to i) a criminal or civil action in a domestic, foreign or military court; or ii) an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the firm or any management person was found to have caused an investment-related business to lose its authorization to do business or was found to have been involved in a violation of an investment-related statute or regulation.

## Item 10 Other Financial Industry Activities and Affiliations

Persons providing investment advice on behalf of our firm were formerly licensed as insurance agents. As such, they may earn trail commissions for insurance products sold previously. Insurance commissions earned by these persons are separate from our advisory fees. This presents a conflict of interest because they have an incentive to maintain insurance products previously sold to you for the purpose of generating commissions rather than solely based on your needs. See the *Fees and Compensation* section in this brochure for more information on the compensation received by former insurance agents who are affiliated with our firm.

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 advisor
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
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 persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. 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.

### **Block Trading**

We do not combine or block personal securities transactions with those of advisory clients.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Fidelity Brokerage Services, LLC for our advisory services, or another qualified custodian if required for client's accounts (whether one or more "Custodian"). We believe that the recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Your investment adviser representative may receive non-cash compensation in the form of due diligence trips or marketing support from product sponsors. Non-cash compensation will not be based on the number or amount of sales, client referrals, or new accounts. This presents a conflict of interest and gives your investment adviser representative an incentive to recommend investment products based on the non-cash compensation received, rather than on your needs

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

Although, you are not required to select one of the recommended clearing broker-dealers for execution and custodial services, we will be unable to allow you to participate in our investment advisory services if you select another broker-dealer. Not all advisory firms require their clients to direct brokerage to a specified broker-dealer. We do not have discretion to select the broker-dealer to use for transactions or to negotiate transaction costs. 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.

**Block Trades**

We may combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. If transactions are not aggregated, this may result in higher costs to you than if transactions are aggregated.

**Item 13 Review of Accounts**

David Shink, Managing Member, will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

We may provide you with performance reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. We recommend that you compare our performance reports to the statements you receive from the custodian. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

**Item 14 Client Referrals and Other Compensation**

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm were formerly licensed as insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## **Item 15 Custody**

As paying agent for our firm, 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.

We will form a reasonable belief that such statements are delivered to you. You may terminate authorization for automatic fee deduction of advisory fees by notifying us in writing.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

We will also offer non-discretionary asset management for certain qualified plan assets. If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not been the subject of a bankruptcy proceeding.

## **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**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.



**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.