

# Financial Independence, LLC

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

This brochure provides information about the qualifications and business practices of Financial Independence, LLC. If you have any questions about the contents of this brochure, please contact us at 401.681.4825. 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 Independence, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Financial Independence, LLC is 150515.

Financial Independence, 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 Summary of Material Changes

The material changes in this brochure from the last annual updating amendment of Financial Independence, LLC on March 1, 2023, are described below. Material changes relate to Financial Independence LLC's policies, practices or conflicts of interests.

- Financial Independence, LLC recommends the custodial services of Fidelity Brokerage Services LLC (CRD# 7784), previously Financial Independence, LLC utilized TD Ameritrade which was acquired by Charles Schwab & Co., Inc. Advisor Services. Financial Independence, LLC has transitioned all of its clients to Fidelity Brokerage Services LLC (CRD# 7784). (Item 12) As part of the transition of custodial services from Charles Schwab & Co., Inc. Advisor Services to Fidelity Brokerage Services LLC (CRD# 7784), Fidelity has agreed to pay certain costs for third-party transition support services for a period of one year which are incurred solely as a result of the transition to Fidelity. (Item 14)

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## **Item 4 Advisory Business**

### **Description of Services**

Financial Independence, LLC is a registered investment adviser based in Warwick, Rhode Island. We are organized as a limited liability company under the laws of the State of Rhode Island. We have been providing financial planning and investment advisory services since 2009. Rick W. Campbell is our firm's principal owner.

We provide a variety of planning and advisory services that are offered separately or through a wealth management service referred to as the Financial Independence BEST Life Planning Program, also referred to as Wealth Management Services. These planning and advisory services, as well as the advisory and Platform services offered through the AssetMark Platform, are described in more detail below along with how these services are personalized to each individual client.

As used in this brochure, the words "we", "our" and "us" refer to Financial Independence, LLC, and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### **Wealth Management Services**

#### ***Financial Planning Services***

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we will deliver a written Plan Summary to you designed to help you achieve your stated financial goals and objectives. If you require advice on a more limited set of goals and objectives or a single aspect of your finances, we offer modular financial planning/general consulting services to address those specific areas. This could include, but not be limited to, asset allocation recommendations on your employer-provided retirement plans.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. Certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

#### ***Investment Advisory Services***

We offer advisory and Platform services through the AssetMark Platform. The AssetMark Platform is an asset allocation program sponsored by AssetMark; an investment adviser registered with the Securities Exchange Commission. After gathering information about your financial situation and objectives, we will make recommendations regarding the suitability of an investment program based on factors such as investment strategy, performance, and methods of analysis. We will recommend one or more discretionary portfolio strategists on the AssetMark Platform for your portfolio. We periodically review the performance of the strategists we recommend for client accounts to ensure their performance and

investment styles remain consistent with the goals and objectives of our clients. For additional information on the AssetMark Platform, please see the AssetMark Platform Disclosure Brochure included in your account opening paperwork.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan. In general, these services may include an existing plan review, asset allocation advice, assistance with fund selection and investment options, communication and education services to plan participants, investment performance monitoring, and/or ongoing consulting.

Pension Consulting services will be provided pursuant to the agreement entered into and within the parameters set forth in the plan documents. Where the plan sponsor engages our firm to provide advice to participants on an individual basis, such advice will be limited to general retirement planning issues, fund selection and asset allocation of plan assets.

Client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). Our firm will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as our firm recommends. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

### *General - Advisory Services to Retirement Plans and Plan Participants*

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). Specifically, the firm provides asset allocation models for use by plan participants directed by risk level of the participant. There are models for participants with a low risk tolerance, medium risk tolerance and high-risk tolerance. The firm does not provide investment specific advice to plan participants but can provide guidance on asset allocation. The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide are described above, and in the service agreement. Our compensation for these services is described below, within Item 5, and also in the service agreement.

### *Status*

We are registered as an investment adviser under the United States Securities and Exchange Commission and represent that we are not subject to any disqualification as set forth in Section 411 of ERISA.

In performing Fiduciary Services, we act as a fiduciary of the Plan as defined in Section 3(21) under the Employee Retirement Income Security Act ("ERISA") for purposes of providing non-discretionary investment advice only.

### **Types of Investments**

We primarily offer advice on mutual funds and exchange-traded funds ("ETFs"); however, we may also offer advice on equity securities, corporate debt securities, municipal securities, variable life insurance, variable annuities, and U.S. Government securities.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing, and we will determine if AssetMark can accommodate your request.

## Assets Under Management

We have the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$ 0.00	\$210,220,404	December 2023

## Item 5 Fees and Compensation

### ***Financial Planning Fees***

We typically charge a fixed annual fee for financial planning services. In the first year, the fixed fee typically ranges from \$1,200 to \$6,000 depending on the scope and complexity of services. In the first year, the fixed fee is generally higher to account for the additional work associated with data gathering, initial client meetings, goal setting and prioritization, software input, account linking, data and plan assumption accuracy and completeness checks, initial financial statement development, digital vaulting of critical documents and other efforts to build the foundation for the initial plan. In subsequent years (years two and beyond), the ongoing fixed fee is often reduced and typically ranges from \$600 to \$3,000 per year, depending on the scope and complexity of services. There are situations where we charge the same or similar fee in the first year and subsequent years (years two and beyond) to accommodate client needs, objectives and personal situations. All fees are negotiable, transparent, and disclosed upfront.

### ***Payment of Financial Planning Fees***

Payments for financial planning fees will be processed through a secure online third-party platform in monthly, quarterly, or semiannual installments (at the client's preference). An online billing notice will be sent, and payment will be due and payable upon receipt of such online billing notice. Fees will be charged in advance. Clients will be provided relevant information regarding the online third-party billing platform during the account creation process. If a client does not want online billing, a manual billing process may be offered, and payment will be due and payable upon receipt of such billing notice.

We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. If you are unsatisfied with your financial plan, for any reason, we may refund the fee you have paid to our firm.

We also allow clients to pay for financial planning services based on an hourly rate of \$250 per hour. In such cases, we will provide an estimate of the total fee at the start of the advisory relationship.

In certain situations where clients have long term relationships with the firm and/or have engaged the firm to provide investment management services on large account balances, we may, at our discretion, provide financial planning services at no additional separate charge.

### ***AssetMark Platform and Financial Independence Advisory Fees***

We charge a Financial Advisor fee typically ranging from 0.50% - 1.00% of our client assets on the AssetMark Platform, which is in addition to AssetMark's Platform fee. AssetMark's Platform fee is described in detail in the AssetMark Platform Disclosure Brochure. The AssetMark Platform fee includes:

1. Payment for advisory services (including the Strategist's or Manager's Supplemental Fee, if applicable) and Administrative Services; and
2. Payment for custodial and brokerage services (although additional fees are payable for certain third-party mutual funds, Actively Managed Fixed Income Strategies, Funding Account Strategies, acquired Global Financial Private Capital ("GFPC") Strategies).

In certain circumstances, a portion of the account may not be subject to AssetMark's fee, in which case only our fee will apply. You are encouraged to review the AssetMark Platform Disclosure Brochure for information regarding the AssetMark Platform and total fees charged. You should consider all applicable fees.

Our advisory fees are negotiable depending on the complexity and scope of services, your financial situation, and your objectives. Previous client relationships may be subject to a different fee schedule. Fees are quarterly in advance. You will be required to enter into an advisory agreement with our firm and a separate agreement with AssetMark. AssetMark's advisory agreement may be terminated in accordance with the terms set forth in the AssetMark Client Services Agreement. Pre-paid fees not yet earned will be refunded.

### ***Payment of AssetMark Platform and Financial Independence Advisory Fees***

For accounts managed on the AssetMark Platform, AssetMark will deduct all investment advisory fees, including the AssetMark Platform fee and our Financial Advisor Fee, directly from your account through the qualified custodian holding your funds and securities.

The Platform Fee charged to Client Accounts includes compensation for custodial services. Pursuant to agreements that AssetMark has negotiated with third-party Custodians (e.g., Fidelity Brokerage Services LLC (CRD# 7784)) on AssetMark's Platform, AssetMark pays the Custodian for the custodial services provided to Client Accounts. (The Custodians also have other income sources). The Client does not pay transaction fees on trades made in most of the Solution Types available on the Platform.

Our financial advisor fee will be deducted only when the following requirements are met:

- You provide AssetMark with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- AssetMark will send you a Quarterly Performance Review on our firm's behalf, showing the value of the assets on which the fee is based, the fee schedule and the amount of the fee.
- The qualified custodian will send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the financial advisor fee paid directly to our firm.

Note: both the Quarterly Performance Review (AssetMark) and Custodial Statements (Fidelity Brokerage Services LLC (CRD# 7784)) may be delivered digitally or hardcopy, based on client preference.

If our Form ADV Part 2A is not delivered to you within 48 hours prior to your entering into an advisory agreement with our firm, you may terminate the agreement by providing written notice to our firm within five business days of the date of acceptance without penalty. If you received our Form ADV Part 2A 48 hours in advance or if the five-day grace period has expired, you may terminate the agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a refund of those fees.

### ***Additional Fees and Expenses***

As part of our investment advisory services to you, your portfolio may be invested in mutual funds, exchange traded funds, and other investment products that charge additional fees. 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, or other investment products. These fees will generally include a management fee and other fund expenses. Clients on the AssetMark Platform do not incur any transaction charges. 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.

### ***Pension Consulting Services Fees***

Our firm may charge an asset-based fee ranging from 0.25% - 0.75%, which is negotiable based on the scope of services provided and size and complexity of the plan. Fees are due quarterly in advance and charged to the plan by the recordkeeper / custodian.



## **Compensation for the Sale of Insurance Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. 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 recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

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

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the **Fees and Compensation** section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, and charitable organizations.

In general, we require a minimum of \$250,000 to open and maintain an advisory account. At our discretion and with consideration of the overall client relationship to the firm, we may waive this minimum account size. In addition, AssetMark may impose a minimum account size, depending on the program in which your account is placed. These minimums are described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of AssetMark.

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

We do not directly manage client portfolios but will select and recommend other investment advisers (managers) to manage client portfolios. Although we will seek to select only advisers who will invest clients' assets with the highest level of quality and integrity, our selection process cannot ensure that those advisers will perform as desired and we will have no control over the day-to-day operations of any of its selected advisers. In selecting and monitoring the advisers we recommend, we do consider their breadth and depth of management expertise, investment philosophy and asset allocation approach, investment process, performance track record and risk return characteristics, policies and procedures and overall reputation in the industry. We would not necessarily be aware of certain activities at the underlying adviser level, including without limitation an adviser engaging in unreported risks, investment "style drift" or even regulator breach or fraud. In monitoring and analyzing the third-party advisers, we use benchmarking analysis, assessing whether the adviser's performance has met, exceeded, or fallen short of comparable benchmarks (e.g., Russell 2000, S&P 500, etc.), together with comparison against any stated benchmarks the adviser has set for itself.

After gathering information about the Client's financial situation and objectives, we will make recommendations regarding the appropriate strategies on the AssetMark Platform. The method of selecting appropriate strategies starts with our overall investment philosophy, which is founded on the following beliefs:



1. A primary obstacle to financial and investment success is human psychology and emotion. Humans are hardwired to avoid pain and pursue pleasure and security. Investors are not always rational, have limits to their self-control, and are influenced by their own biases which can lead to mistakes. To be successful, our investment approach must consider and address the tendencies of human psychology, emotion and behavior. A systematic investment process and approach, along with behavioral coaching, can help remove emotion from the decision-making process, and increase the likelihood of long-term investment success.
2. Investors are continually bombarded with increasing volumes of headlines, news and data through social media, news apps, and other non-traditional mediums of communication. Information overload can lead to increased anxiety and fear, rather than reasoned thought. Tuning out the "noise" in communication channels can also help investors manage their emotions and behaviors.
3. The achievement of desired goals and objectives matters more than comparing to and beating market related benchmarks.
4. The future and markets are unpredictable, and it is better to prepare for multiple possible scenarios (i.e., bull markets and bear markets) than to take an absolute position either way. Attempts to accurately and consistently predict the future or direction of the economy and markets are fraught with peril.
5. During bear markets, professionally managed tactical asset allocation and actively managed investments can be a more effective approach than strategic, passively managed approaches.
6. During bull markets, professionally managed strategic asset allocation and passively managed investments can be a more effective approach than tactical, actively managed approaches.
7. A broad and deep team-based approach of using multiple investment managers can help address the ever-changing and volatile investment landscape, and mitigate various risks, including the risk of loss.
8. While the diversification of underlying investments is very important, the diversification of managers and the combination of various asset allocation approaches can help to manage volatility and reduce the risk of material investment mistakes.
9. Investment goals and objectives are more likely to be achieved with lower cost approaches and where applicable, tax sensitive investment strategies.

Methods of analysis and investment strategies will be employed by the advisers based on their own methodology.

### **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.

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

As disclosed under the "Advisory Business" section in this brochure, we primarily recommend mutual funds and exchange-traded funds. Mutual funds and exchange traded funds ("ETFs") 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. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stocks 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. We only recommend "no load" mutual funds, which charge no fee to buy into, or sell out of, the fund. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

## **Item 9 Disciplinary Information**

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

We have not provided information on other financial industry activities and affiliations because we are not affiliated, through control or ownership, 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

### **Insurance Business**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. This activity creates a conflict of interest since there is an incentive to recommend insurance products based on commissions that will be paid on the sale of the insurance product. Additionally, the offer and sale of insurance products by supervised persons of the firm are not made in their capacity as a fiduciary, and products are limited to only those offered by certain insurance providers. We address this conflict of interest by requiring its supervised persons to always act in the best interest of the client, including when acting as an insurance agent. We periodically review recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. No client is ever under any obligation to purchase any insurance product. Insurance products recommended by our supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

### **Recommendation of Other Advisers**

As described in Item 4, we may recommend one or more discretionary strategists on the AssetMark Platform for your portfolio. In addition to our advisory fee, you will pay a Platform Fee to AssetMark which includes fees paid to the strategists. While the Platform Fee varies based on the strategist recommended for your portfolio, our advisory fee does not and is the same regardless of the strategist(s) we recommend to you.

## 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 our Associated Persons. 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 of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

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

### Participation or Interest in Client Transactions

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

## Item 12 Custodial Relationship

We recommend the custodial services of Fidelity Brokerage Services LLC (CRD# 7784). Your assets must be maintained in an account at a "qualified custodian" under Advisers Act Rule 206(4)–2, generally a broker-dealer or bank. Each Client will enter a custodial agreement with their selected Custodian and be provided a fee schedule or schedule of charges (e.g., wire transfer fees).

In providing investment management services through the AssetMark Platform, we may assist you in selecting the risk/return objective and portfolio strategists that best suit your objectives. You then specifically direct the account to be invested in accordance with the chosen investment solution. When you select the investment solutions, you further direct that the account be automatically adjusted to reflect any adjustment in the asset allocation by the selected portfolio strategist. This authorization results in the purchase and sale of certain mutual funds or ETFs without your further authorization or any other party at such time as the portfolio strategist changes the composition of the selected model asset allocation. With your approval, we may instruct AssetMark to change the selected model asset allocation for your account.

You will receive custodial account statements directly from the Platform Custodian at least quarterly. You are urged to carefully review those statements and compare the custodial statements to the AssetMark Quarterly Performance Reviews that are available to you. **The Client agrees to review all Account Statements, trade confirmations and other notices and confirmations of information and promptly notify Financial Independence of any errors within 10 days.** The Custodian will also provide full year-end tax reporting for taxable accounts and fiscal year-end reporting for Accounts held for tax-qualified entities; and access to electronic or web-based inquiry system that provides detailed information on each Client's Account, on a daily basis. Additionally, Clients can inquire about their current holdings and the value of their Accounts on a daily basis by electronic or web-based access. The Custodian may also send a Transaction Acknowledgement to the Client for all cash contributions, withdrawals and in-kind transfers as they occur. You are free to terminate participation in the AssetMark Platform and retain or dispose of any assets in the account at any time.

### Brokerage for Client Referrals

The firm receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

**Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

**Item 13 Review of Accounts**

If you participate in the AssetMark Program, Rick W. Campbell, President; Mark A. Lavallee, Vice President; and/or Kevin Pierro, Financial Consultant, will monitor your respective accounts to ensure the performance and investment style remains aligned with your investment goals and objectives. We request that clients meet with us at least annually for a formal account review. Such reviews include a review of investment objectives, time horizon, risk tolerance, third party management strategies, account balances, account holdings, asset allocation, account performance, and advisory fees. Triggering factors that may stimulate a review include, but are not limited to, life changing events, change in employment status, changes in your investment objectives, income and cash flows, family status, disposition of assets, gifts or inheritances and health status. You are responsible for informing us of such triggering factors.

We do not provide you with additional or regular written reports in conjunction with account reviews that are generated by our firm. If you participate in the AssetMark Program, you will receive Quarterly Performance Reviews and periodic custodial account statements (not less frequently than quarterly) from your account Custodian. We may review these reports with you during our client review meeting.

**Item 14 Client Referrals and Other Compensation**

We do not compensate any individual or firm for client referrals.

**Fidelity Brokerage Services LLC**

As part of the transition of custodial services from Charles Schwab & Co., Inc. Advisor Services to Fidelity Brokerage Services LLC (CRD# 7784), Fidelity has agreed to pay certain costs for third-party transition support services for a period of one year which are incurred solely as a result of the transition to Fidelity.

**AssetMark Financial Advisory Firm and Financial Advisor Program**

With respect to the AssetMark Platform, we may, subject to negotiation with AssetMark, receive certain allowances, reimbursements or services from AssetMark in connection with our investment advisory services to our clients, as described below and in further detail in the Appendix 1 of the AssetMark Platform Disclosure Brochure.

**MARKETING SUPPORT FOR FINANCIAL ADVISORY FIRMS**

We may enter into marketing arrangements with AssetMark whereby we receive compensation and/or allowances in amounts based either upon a percentage of the value of new or existing account assets of clients referred to AssetMark by our firm, or a flat dollar amount.

**DIRECT AND INDIRECT SUPPORT FOR FINANCIAL ADVISORS**

AssetMark may sponsor annual conferences for participating Financial Advisory Firms and/or Financial Advisors designed to facilitate and promote the success of the Financial Advisory Firm and/or Financial Advisor and/or AssetMark advisory services.

**DISCOUNTED FEES FOR FINANCIAL ADVISORS**

Financial Advisors may receive discounted pricing or complimentary subscriptions from third-party service providers or from AssetMark or its affiliates for services such as business consulting, practice management, technology, financial planning tools and marketing-related tools and services as a result of their participation in the Platform. In certain cases, AssetMark receives a portion of the subscription fees paid by Financial Advisors to such third-party service providers. Discounted pricing and

complimentary subscriptions may be subsidized by AssetMark.

#### **NEGOTIATED FEES**

AssetMark is permitted, in its discretion, to negotiate the Platform Fee for clients of certain Financial Advisors. Certain Financial Advisors with higher aggregate levels of assets on the Platform are eligible for negotiated fees, which are passed through to the client. The Financial Advisor does not earn additional compensation as a result of these negotiated fees.

#### **COMMUNITY INSPIRATION AWARD**

AssetMark offers the Community Inspiration Award to honor selected Financial Advisors across the US who have inspired others by supporting charitable organizations in their communities. AssetMark will make a cash donation, subject to the published rules governing the program, to our firm's nominated charity in accordance with guidelines as outlined in the AssetMark Platform Disclosure Brochure.

### **Item 15 Custody**

For accounts managed on the AssetMark Platform, AssetMark will deduct all investment advisory fees, including the portion payable to our firm, directly from your account through the qualified custodian holding your funds and securities.

Our financial advisor fee will be deducted only when the following requirements are met:

- You provide AssetMark with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- AssetMark will send you a Quarterly Performance Review on our firm's behalf, showing the value of the assets on which the fee is based, the fee schedule and the amount of the fee.
- The qualified custodian will send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the financial advisor fee paid directly to our firm.

Note: both the Quarterly Performance Review (AssetMark) and custodial Statements (Fidelity Brokerage Services LLC (CRD# 7784)) may be delivered digitally or hardcopy, based on client preference.

We do not exercise custody over your funds or securities. Your funds and securities will be held with a qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact your custodian directly.

### **Item 16 Investment Discretion**

We do not take any independent discretionary authority over client accounts.

### **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 common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

### **Item 18 Financial Information**

We are not required to provide financial information to our clients because we do not:

- Require prepayment of a fee more than six months in advance and in excess of \$1,200.
- Take custody of client funds or securities

## **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 nonpublic personal information about you to any nonaffiliated 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 nonpublic 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 nonpublic 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. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **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.