

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

### **Item 1 - Cover Page**

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**This brochure provides information about the qualifications and business practices of QBOX Fiduciary Solutions, LLC (hereinafter “QBOXFS” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at 260-918-4500 or at [Admin@qboxfs.com](mailto:Admin@qboxfs.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 QBOXFS is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for QBOXFS is 167622.**

**\*Registration as an investment adviser does not imply a certain level of skill or training.**

## **Item 2 - Summary of Material Changes**

Since our last annual amendment in March 2023, revisions were made to Item 12 of this brochure to update references to Folio Institutional. Goldman Sachs purchased Folio Financial, Inc. and began providing the services of Folio Financial, Inc., and its affiliated companies, under the Goldman Sachs brand name. Goldman Sachs Advisor Solutions is now a brand of Folio Investments, Inc., d/b/a Goldman Sachs Custody Solutions ("GSCS") and Goldman Sachs & Co. LLC ("GS&Co."), which are subsidiaries of The Goldman Sachs Group, Inc. ("Goldman Sachs")

We removed all references to TD Ameritrade, Inc. due to the transition of moving my clients' managed accounts away from TD Ameritrade, Inc. to Charles Schwab & Company, Inc. In November 2019, the two firms announced they had entered into a definitive agreement for Charles Schwab & Company, Inc. to acquire TD Ameritrade in an all-stock transaction. As a result of that acquisition, accounts previously held at TD Ameritrade are now Charles Schwab & Company, Inc. accounts. Subsequently, we updated Item 12 of this brochure to remove references to TD Ameritrade and replaced them with Charles Schwab.

We also updated Item 12 to disclose American Trust Company as the new business name being used by Mid Atlantic Trust Company.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### Item 4 - Advisory Business

##### QBOX Fiduciary Solutions, LLC ("QBOXFS")

QBOX Fiduciary Solutions, LLC is a registered investment advisory firm that was formed in April 2013.

The principal owners are:

Legal Name	Status
Gregory A Moerchen	Managing Member
Mark C Kaufman	Member

QBOXFS has fully disclosed all material conflicts of interest regarding QBOXFS, its representatives or any of its employees that could reasonably be expected to impair the rendering of unbiased and objective advice.

##### Qualified Plan Services

QBOXFS offers selected qualified plan services. The following is a general overview of services. Services are selected in a separate agreement by each client and are outlined below.

- Preparation and maintenance of the Investment Policy Statement (IPS)
- Security performance management, monitoring and reporting
- Appointment as investment manager as defined in 3(21) of ERISA
- Appointment as investment manager as defined in 3(38) of ERISA, pursuant to the authority granted under the Plan's IPS and 402(c)(3) of ERISA.
- Grant limited power of attorney to act in the name of the plan to select specific instruments to be held by the Plan or offered as investment options under the Plan.
- Selection of Qualified Default Investment alternative (QDIA)
- Education services to plan committee
- Participant enrollment and education. QBOXFS will NOT provide investment advice to participants
- Request for proposals and/or plan vendor search
- Will assist in meeting the 404(c) Services

QBOXFS shall not, and cannot, provide legal or tax advice to client or the Plan. Client agrees to seek the advice of its legal and tax advisers as to matters that might arise relating to the operations and administration of the Plan.

Finally, client will acknowledge that QBOXFS has no responsibility to provide any services with respect to the following types of assets: employer securities, real estate, participant loans, non-publicly traded securities or assets (other than collective investment funds or non-publicly traded securities or assets recommended by QBOXFS), illiquid investments, or brokerage window programs.

Client will further acknowledge that QBOXFS shall have no authority or responsibility to provide services with respect to voting proxies for securities held by the Plan or take other action related to the exercise of shareholder rights regarding any portfolio securities.

##### Portfolio Management Services

QBOXFS provides continuous advice to a client regarding investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, QBOXFS develops a client's portfolio. QBOXFS will manage advisory accounts on a discretionary or non-discretionary basis (See Item 16 – Investment Discretion for more details). Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).

QBOXFS will need to obtain certain information from client to determine their financial situation and investment objectives. Client will be responsible for notifying us of any updates regarding their financial situation, risk tolerance or investment objective and whether they wish to impose or modify existing investment restrictions; however, we will contact client at least annually to discuss any changes or updates regarding their financial situation, risk tolerance or investment objectives. QBOXFS is always reasonably available to consult with client relative to the status of their accounts under our management. Client has the ability to impose reasonable restrictions on the management of their accounts, including the ability to instruct us not to purchase certain securities.

It is important that client understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to client or actions taken for the client. QBOXFS is not obligated to buy, sell or recommend to client any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. QBOXFS strives to allocate investment opportunities believed to be appropriate for client account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If QBOXFS obtains material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

QBOXFS will create a portfolio consisting of one or all of the following: individual equities, bonds, exchange traded funds (ETFs), other investment products, and mutual funds. QBOXFS will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. The securities will be selected on the basis of any or all of the following criteria: performance history; the industry sector in which the security invests; the track record of the security's manager; the security investment objectives; the security's management style and philosophy; and the security's management fee structure. Portfolio weighting between securities and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

When appropriate to the needs of the client, QBOXFS may recommend the use of trading (securities sold within 30 days). Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

During its reviews, if QBOXFS believes that a particular investment is performing inadequately, or if QBOXFS believes that a different investment is more suitable for the client's account, then QBOXFS will recommend a different investment.

For Portfolio Management Services accounts managed on a non-discretionary basis, QBOXFS will assist the client in selecting a new investment or adviser. If contracted for, QBOXFS will monitor the performance of that investment or adviser. However, any such change is solely at the discretion of the client.

*Recommendation of Unaffiliated Sub-Advisers:* As part of our Portfolio Management Services, we may select unaffiliated, third-party investment advisers serving as "Sub-Advisers" to manage a portion of client assets. The selection of Sub-Advisers may be granted on a discretionary basis to "hire and fire" Sub-Advisers which means we can select and remove Sub-Advisers from client accounts without first consulting with client. Alternatively, some clients may prefer to have us select Sub-Advisers on a non-discretionary basis which means client will need to provide written authorization of a Sub-Adviser in advance. Any Sub-Adviser selected by us shall be registered or properly exempt from registration in your home state. The decision to use a Sub-Adviser is always based on each client's individual

needs and is triggered when a strategy offered or available by a Sub-Adviser is in the best interests of our clients. A complete description of the third-party investment advisor's services acting as Sub-Adviser, fee schedules and account minimums will be disclosed in the third-party investment advisor's Form ADV Disclosure Brochure which we will send to client at the time a Sub-Adviser is added to your Account.

Selected Sub-Advisers will manage client assets by providing ongoing discretionary investment management services over client designated assets. Discretionary authority allows the Sub-Advisers to determine the securities to be purchased and sold in client accounts managed by the Sub-Adviser. We will **not** utilize trading authority with respect to client Account(s) and/or assets managed by a Sub-Adviser. We are always available to answer questions client may have regarding the portion of the client's Account(s) managed by the Sub-Adviser and act as the communication conduit between client and the Sub-Adviser.

#### Tailor Advisory Services to Individual Needs of Clients

Our advisory services are always provided based on client individual needs. This means, for example, that when we provide portfolio management services, clients are given the ability to impose restrictions on the accounts we manage for clients, including specific investment selections and sectors. We work with clients on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

#### No Participation in Wrap Fee Programs

A wrap-fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management and/or advice concerning the selection of other investment advisers) and the execution of client transactions. We do not offer or participate in wrap-fee programs. All of our services are provided on a non-wrap fee basis which means fees and expenses for execution of client transactions charged by the client's broker/dealer and/or custodian are billed directly to the client's account separately from our advisory fees.

#### Client Assets Managed

As of 11/30/2023, the total amount of our clients' assets under management was \$366,556,888. The amount of discretionary assets under our management totaled \$363,736,818 and the amount of non-discretionary assets totaled \$2,820,070.

### **Item 5- Fees and Compensation**

Lower fees for comparable services may be available from other sources.

#### Individual and Family Portfolio Management Services

The fee for investment supervisory services is based upon the table below. Fees are calculated in advance or in arrears each calendar quarter or month based upon the number of days in the billing time period and market value of assets under management on the last day of the previous calendar quarterly or month as the case may be.

This annual fee shall be negotiable based on the type of client, the complexity of the client's situation, the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client. The annual fee will be pro-rated and paid in advance on a quarterly or monthly basis. No increase in the annual fee shall be effective without prior written notification to the Client.

Assets Under Management	Annualized Fee
Up to \$999,999	1.00%
\$1,000,000 to \$2,499,999	0.75%
\$2,500,000 to \$4,999,999	0.60%
\$5,000,000 to \$9,999,999	0.50%
\$10,000,000 +	Negotiable
Managed Portfolio Models	Negotiable
Fixed Income Portfolios	Negotiable

The fee schedule above represents the fees retained solely by QBOXFS and does not include the fees charged by Sub-Advisers selected by our firm to manage your accounts. Fees assessed by Sub-Advisers are separate and in addition to the fees we charge. We strive to ensure that the fees charged by the Sub-Advisers do not exceed industry standards. In addition, we strive to ensure that the combined fees charged by QBOXFS and the Sub-Advisers do not exceed industry standards. Sub-Advisers are responsible for calculating their fee and debiting their fee from your account.

If the Sub-Advisers do not have the ability to directly debit their fee from the client account. The Sub-Advisor will debit the fee from the QBOXFS master or house account. QBOXFS in turn will then debit that fee from the client account.

#### Qualified Plan Consulting

Qualified Plan Consulting: QBOXFS may be hired by the Plan to function in any combination of the following roles:

- ERISA 3(38) Investment Management
- ERISA 3(21) Adviser
- Plan Consultant

QBOXFS will typically receive an annual fee of negotiable basis points, negotiable annual flat fee or combination of basis points and flat fee based on the Plan's assets or a negotiated dollar amount, whichever is greater. The specific fee structure is based on the role QBOXFS is hired for, services to be provided, fiduciary role, time and travel expenses, and other services contracted for. All fees and services will be set forth in each client agreement.

The general fee structure for Qualified Plan ERISA 3(38) Investment Services is as follows:

Assets Under Management	Annualized Fee
Up to \$5,000,000	.05% to 0.20% Annual fee payable quarterly or monthly based on services provided
\$5,000,000+	Negotiable
Minimum Fee	\$500 Annual fee, payable quarterly or monthly
If needed: Manual entry of Quarterly asset value	\$ 50 per quarter
If needed: Enrollment meetings	\$100 per occurrence
Hourly rate for project consulting	\$200 per hour
Unitized or Plan Models where QBOXFS receives a management fee	QBOXFS's portion of the management fee will be credited against the above fees or credited back to the plan quarterly

The general fee structure for Qualified Plan ERISA 3(21) Investment Services is as follows:

Assets Under Management	Annualized Fee
Up to \$5,000,000	0.05% to 0.20% Annual fee payable quarterly or monthly based on services provided
\$5,000,000+	Negotiable
Minimum Fee	\$500 Annual fee, payable quarterly or monthly
If needed: Manual entry of Quarterly asset value	\$ 50 per quarter
If needed: Enrollment meetings	\$100 per occurrence
Hourly rate for project consulting	\$200 per hour
Unitized or Plan Models where QBOXFS receives a management fee	QBOXFS's portion of the management fee will be credited against the above fees or credited back to the plan quarterly

The general fee structure for Qualified Plan, Plan Consultant Services is as follows:

Assets Under Management	Annualized Fee
Up to \$5,000,000	0.10% to 1.00% Annual fee payable quarterly or monthly based on services provided
\$5,000,000+	Negotiable
Minimum Fee	\$500 Annual fee, payable quarterly or monthly
If needed: Manual entry of Quarterly asset value	\$ 50 per quarter
If needed: Enrollment meetings	\$100 per occurrence
Hourly rate for project consulting	\$200 per hour
Unitized or Plan Models where QBOXFS receives a management fee	QBOXFS's portion of the management fee will be credited against the above fees or credited back to the plan quarterly

The client shall be ultimately liable for the compensation due to QBOXFS under the client agreement, the client may instruct the Plan's record-keeper or custodian to automatically deduct the amount described in the above charts from the Plan's assets each month or quarter ("Payment Period"), in arrears, and remit that amount directly to QBOXFS on its behalf. If applicable minus QBOXFS's management fee for Unitized or Plan Models.

The client may instruct QBOXFS to invoice the client the amount described above each month or quarter ("Payment Period"), in arrears, and remit that amount directly to QBOXFS on its behalf. If applicable minus QBOXFS's management fee for Unitized or Plan Models.

In addition to QBOXFS's compensation described above, the client may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to; custodial fee, brokerage commissions, transaction fees, charges imposed directly by a mutual fund or index fund or exchange traded fund selected as an investment, fees charged by the manager of an actively managed portfolio model selected as an investment, wire transfer fees, and other fees and taxes on brokerage accounts and securities transactions.

#### Fees in General

Depending on the particular arrangement with each client, we will either invoice clients or directly debit their custodial accounts (Please refer to Item 15 – Custody for more details).

Fees are billed either in advance or in arrears at the beginning of each quarter or on a monthly basis, based upon the billable balance on the last day of the previous calendar quarter or month as the case may be. Some accounts are billed in advance on either a quarterly or monthly basis, based upon the billable balance on the last day of the previous calendar quarter or month as the case may be.



Fees and account minimums for all services are negotiable based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts and fee waivers, not generally available to our advisory clients, may be offered to family members and friends.

Certain legacy client agreements may be governed by fee schedules different from those listed above.

#### Individual or Family Management Services:

- We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.
- Under no circumstances will we earn fees in excess of \$500 more than six months in advance of services rendered.
- QBOXFS generally requires a minimum account size of \$100,000 for managed accounts, and for households with account sizes less than \$100,000 in assets; QBOXFS may charge up to \$250 fee per quarter per account as a minimum.

#### ERISA Accounts

##### Important Disclosure for ERISA Covered Retirement Plans

We acknowledge that QBOXFS is a covered service provided under the U.S. Department of Labor Rule 408(b)(2) when providing investment advisory services to Plans covered by the Employee Retirement Income Security Act of 1974 ("ERISA").

Please understand that some of our services are considered Fiduciary Consulting Services. Although we are not considered 3(38) Investment Managers as defined by ERISA section 3(38) when providing Fiduciary Consulting Services, we acknowledge that we are acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA. We will act in a manner consistent with the requirements of a fiduciary under ERISA for all services for which we considered a fiduciary under ERISA. However, we (a) have no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of the main retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of the main retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of the main retirement plan or the interpretation of Plan's retirement plan documents, (b) are not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of the retirement plan as defined in ERISA.

For some Plans, we may serve as ERISA 3(38) investment manager when providing Fiduciary Management Services for the portion of the plan assets for which we have been retained. Under this scenario, we are responsible for monitoring the investment options of the Plan in order to add or remove investment options for the Plan and actively manage all assets for participants enrolled in the Plan for the portion of Plan assets managed by our firm. Plans may have additional Plan assets held outside of the scope of our management services which are not taken into consideration nor monitored by us. As a result of our Fiduciary Management Services, we act as an Investment Manager to the Plan, as defined by ERISA section 3(38) and will acknowledge that we are a fiduciary with respect to the management of the Plan.

We will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to ERISA covered Plans any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclose as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclose is precluded due to extraordinary circumstances beyond our control, in which case

the information will be disclosed as soon as practicable) all information related to the Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

#### Account Termination

Individual and Family Portfolio Management: Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party may terminate the agreement by providing 30 days advance written notice at our principal place of business. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Qualified Plan Consulting: Either party shall give the other at least thirty (30) days' written notice of its intent to terminate. In the event this Agreement is terminated, Client will be required to pay a prorated portion of any unpaid compensation owed from the last billing.

Client acknowledges that, upon termination of this Agreement, QBOXFS will have no continuing duty to provide the Services it offered under this Agreement and that the circumstances pursuant to which QBOXFS provided those Services will change. As a result, Client agrees that, upon the termination of this Agreement, QBOXFS will cease to have any responsibility for the ongoing operation of the Plan - regardless of whether the Plan continues to be operated consistent with the Services previously provided pursuant to this Agreement.

#### ETF, CIT, SMA, and Fund Fees and Expenses:

All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by ETFs, CITs, SMA, and Funds to their shareholders. These fees and expenses are described in each security's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in an ETF, CIT, SMA or Fund directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which ETF, CIT, SMA or Funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the ETFs, CITs, SMAs, and Funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. QBOXFS does not receive any portion of ETF, CIT, SMA, or Fund fees and expenses.

#### Brokerage and Custodian Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, separately managed account, and custodian fees incurred as part of their account management. QBOXFS does not receive any portion of such commissions or fees from you or the qualified custodian.

Neither our firm nor our supervised persons receive or accept compensation for the sale of securities or other investment products, including asset-based sales charges or services from the sale of ETFs, CITs, SMAs or mutual funds.

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

QBOXFS does not charge performance-based fees.

### **Item 7 - Types of Clients**

Our firm generally provides advisory services to individuals, banking or thrift institutions, pension and profit-sharing plans, defined contribution plans, SIMPLE IRA and other business retirement plans, trusts, estates, and charitable organizations.

QBOXFS generally requires a minimum account size of \$100,000 for managed accounts, and for households with account sizes less than \$100,000 in assets; QBOXFS may charge up to \$125 fee per quarter per account as a minimum. However, all clients are required to execute an agreement for services in order to establish a client arrangement with QBOXFS.

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

QBOXFS uses Fundamental analysis in formulating investment advice. Fundamental analysis determines the health and performance of a security by looking at key numbers. Such as historical performance, costs, performance vs benchmarks, performance vs peer group, and statistical measurements like Alpha and Sharpe ratios.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

**Risk for all types of analysis:** Securities analysis methods rely on the assumption that the securities purchased and sold, 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***

**Long-term purchases.** We may purchase securities or engage money managers with the idea of holding them in the client's account for a year or longer. We employ this strategy for exposure to particular asset classes over time.

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.

**Short-term purchases:** We may purchase securities or engage money managers with the idea of holding them in a client's account for a year or less. We do this in an attempt to take advantage of conditions that could result in a price increase.

A risk in a short-term purchase strategy is that a gain may not materialize as projected which may result in a longer-term position and a possible loss. This strategy may also involve frequent trading and could result in increased transaction costs as well as less favorable tax treatment of short-term capital gains.

**Risk Number® Strategy:** We utilizes Riskalyze's patented Risk Number® technology to objectively calculate a security or model's risk tolerance utilizing a scientific framework that won the Nobel Prize for Economics. Models are diversified but do not adhere to typical risk-based modeling methodology. The models are managed to correspond to a Riskalyze Risk Number®.

A risk in a Risk Number® Strategy is the assumption that the securities or models rating rely on the accuracy of publicly available and unbiased sources of information. There is always a risk that our analysis may be compromised by inaccurate or misleading information.

#### **Individual and Family Portfolio Management Services**

We do provide portfolio management services to individual and family clients. Each portfolio is constructed based on the client's objectives, risk tolerance, and time horizon.

These portfolios normally consist of ETFs, mutual funds, and / or SMA accounts. Portfolios are reviewed quarterly and are typically re-balanced when a security deviates more than 10% from the intended allocation. Portfolio re-constitution(s) may occur periodically or as needed.

#### Qualified Plan Portfolio Management Services

We may create risk-based or Risk Number® Models for qualified plans. Models construction is based upon the Plan's investment objectives and managed for the benefit of the Plan's participants.

These models may consist of CITs, ETFs, mutual funds, and / or SMA accounts. Portfolios are reviewed quarterly and are typically re-balanced when a security deviates more than 10% from the intended allocation. Portfolio re-constitution(s) may occur periodically or as needed.

#### Unitized Model Services for Qualified Plans

Series of Unitized Risk Based Models maintained on the Matrix Trust Custodial Platform, sub-advised by HIP Investors, Stadion, and First Affirmative Financial Network

If QBOXFS is hired by the plan as a Plan Consultant, ERISA 3(21) and ERISA 3(38), the QBOXFS's portion of the unitized portfolio management fee will be credited against those service fees quarterly or credited back to the plan quarterly.

We use the following strategy(s) in managing the portfolios; SRI/ESG securities and fossil free securities, risk tolerance, operating expense, asset class, security and manager tenure among other considerations:

These models may consist of CITs, ETFs, mutual funds, and / or SMA accounts. Portfolios are reviewed quarterly and are typically re-balanced when a security deviates more than 10% from the intended allocation. Portfolio re-constitution(s) may occur periodically or as needed.

#### ***Risk of Loss.***

***Clients should understand that investing in any securities, including ETFs, CITs, SMAs, and mutual funds involves risk of loss of both income and principal that the client should be prepared to bear.***

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. All investments, including those managed by QBOXFS, involve risk factors that investors should consider before investing. Further, depending on the different types of investments there may be varying degrees of risk. These investments are suitable only for investors who are willing to accept substantial risk of loss, including loss of entire principal.

The portfolios that QBOXFS manages are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government or private non-government agency. All investments have tax and legal implications. QBOXFS cannot advise on these implications. Each prospective or current client should obtain the assistance of tax and legal professionals in evaluating the implications of this investment.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- ETF, CIT, SMA, and Mutual Fund Risk – When investing in an ETF, CIT, SMA or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's, CIT's, SMA's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF, CIT, SMA or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You may also incur brokerage costs when purchasing these securities.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our

investment strategies do not produce the expected returns, the value of the investment may decrease.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

#### **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.

The Utah Department of Commerce, Division of Securities denied Mr. Moerchen's initial request for dual licensure as an investment adviser representative of QBOX Fiduciary Solutions, LLC, and Redhawk Wealth Advisors, Inc. The application was denied because information provided for Redhawk Wealth Advisors, Inc. approval was materially incomplete. Although Mr. Moerchen's investment advisor representative application with Redhawk Wealth Advisors, Inc. was denied on 11/17/2015, he re-filed an investment advisor representative application with Redhawk Wealth Advisors, Inc. on 1/06/2016 and was approved by the Utah Division of Securities on 1/11/2016.

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

Item 10A, 10B, and 10C. QBOXFS is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an 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), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

Item 10C(8). As licensed insurance agents, Mr. Moerchen and Mr. Kaufman may recommend to advisory clients a variety of insurance and insurance related products and may offer commissionable (non-variable) insurance products to Advisor's clients for which Mr. Moerchen and Mr. Kaufman may receive compensation. Mr. Moerchen and Mr. Kaufmann do not offer insurance services to California clients.

Item 10C(6). Additionally, Mr. Kaufman is a licensed CPA in Indiana and is a partner at Bojrab, Kaufman, & Company, a public accounting firm located in Fort Wayne Indiana. Mr. Kaufman is currently

engaged in active practice as CPAs at the accounting firm. Mr. Kaufman may recommend QBOXFS to its accounting clients in need of advisory services.

Also, QBOXFS may recommend Bojrab, Kaufman & Company to advisory clients in need of accounting services. Any accounting services provided by Bojrab, Kaufman & Company are separate and distinct from the QBOXFS advisory services and provided for separate and typical compensation. There are not any referral arrangements between QBOXFS and Bojrab, Kaufman & Company for these referrals. No QBOXFS advisory client is obligated to use Bojrab, Kaufman & Company for any accounting services and likewise, no accounting client is obligated to retain QBOXFS for advisory services.

QBOXFS, its supervised persons, Bojrab, Kaufman & Company, and Mr. Kaufman do **not** have signatory authority over any QBOXFS checking accounts.

While the principals of QBOXFS endeavor at all times to put the interests of the clients first as part of QBOXFS's fiduciary obligation, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations. Also, and with respect to any recommendations regarding insurance and insurance-related products, clients are not obligated to purchase any recommended products through these QBOXFS professionals and may choose to accept or reject the recommendation or to select other insurance provider.

Mr. Kaufman spends all of his time on these other non-advisory activities while Mr. Moerchen spends the majority of his time on advisory activities.

Item 10D. As described in *Item 4* and *Item 5*, we select independent, third-party investment advisors to serve as Sub-Advisers in our Portfolio Management Services program.

Unlike other investment advisors, we do not receive a referral fee or solicitor fee from Sub-Advisers. The only compensation we receive is the management fee we charge directly to our clients. Sub-Advisers will also bill clients directly, but our fees are completely separate from the fees charged by Sub-Advisers (please refer to Item 5 for more details). This policy helps us avoid selecting Sub-Advisers based on our economic interests. Instead, we select Sub-Advisers we believe are most appropriate for our clients absent additional economic benefits we could receive from a third-party Sub-Adviser. Any Sub-Adviser selected by us shall be registered or properly exempt from registration in your home state.

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

### Code of Ethics Disclosure

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.

QBOXFS 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.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

QBOXFS'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.

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 [Admin@qboxfs.com](mailto:Admin@qboxfs.com).

QBOXFS and individuals associated with our firm are prohibited from engaging in principal transactions.

QBOXFS and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal account(s) securities identical to or different from those recommended to our clients. Therefore, our related person(s) may personally own or invest in security(s) which may also be recommended to a client. However, we do not sponsor or offer securities (such as limited partnerships, hedge funds, private funds) that are in turn recommended or held in client accounts.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be **excluded** in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- 1 No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- 2 No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- 3 It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- 4 Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- 5 We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- 6 We have established procedures for the maintenance of all required books and records.
- 7 Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
- 8 All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

- 9 We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- 10 We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- 11 Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 - Brokerage Practices**

For Qualified Plan Services, QBOXFS does not have a preferred broker/dealer, other custodian, or third-party administrator that clients must utilize. Although we do not require the use of a particular custodian, we are able to provide a list of custodians and third-party administrators from which clients can choose.

Clients therefore have the discretion to utilize a particular broker/dealer or other custodian of their choice. Because you select the broker/dealer or other custodian, you need to understand we may not be able to obtain the best prices and best overall execution. Under a client-directed arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. We may not be authorized to negotiate fees and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in brokerage and custodial fees, expenses and other costs can exist among clients.

For Portfolio Management Services, we require clients to use one of the following brokerage platforms to establish accounts. You, therefore, have the option to choose one of the following platforms. We do not receive any compensation from any third-party in connection with the recommendation for establish a brokerage account.

### Goldman Sachs Advisor Solutions

With client's consent and direction, QBOXFS may execute and/or suggest the execution of transactions through Goldman Sachs Advisor Solutions which is a brand of Folio Investments, Inc., d/b/a Goldman Sachs Custody Solutions ("GSCS") and Goldman Sachs & Co. LLC ("GS&Co."), subsidiaries of The Goldman Sachs Group, Inc. ("Goldman Sachs"), an unaffiliated service provider. Factors which QBOXFS considers in recommending Goldman Sachs (or any other broker-dealer/custodian) to clients include its respective financial strength, reputation, execution, pricing, reporting, research, and service.

Clients wishing to implement QBOXFS's advice are free to select any broker they wish and are so informed. Those wishing QBOXFS to recommend a broker will get a recommendation of Goldman Sachs or others based on the broker's costs, skills, reputation, dependability and compatibility with the client. Clients are advised that they may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions.

QBOXFS may execute or recommend that clients execute their securities transactions through various firms including, but not limited to broker-dealers such as Goldman Sachs, as mentioned previously. Goldman Sachs and other firms may charge commissions (ticket charges) for executing QBOXFS's transactions. QBOXFS does not receive any part of these separate charges which are assessed directly to clients. Goldman Sachs's role with respect to QBOXFS's investment advisory accounts is brokerage and custody services. It is also important to note that Goldman Sachs does not maintain a supervisory relationship with respect to QBOXFS or its representatives nor are they in any way affiliated with it. QBOXFS is independently owned and operated.

QBOXFS may recommend/require that clients establish accounts with Goldman Sachs or other firms to maintain custody of clients' assets and effect trades for their accounts. Such firms may provide QBOXFS with access to their institutional trading and custody services, which are typically not available to their retail investors. For QBOXFS clients' accounts maintained in their custody, Goldman Sachs and other firms do not charge separately for custody but are compensated by account holders through commissions



or other transaction-related fees or securities trades that are executed through their firms or that settle into their respective accounts.

Goldman Sachs and other firms may also make available to QBOXFS other products and services that may benefit QBOXFS, but which may not benefit its clients. These types of services will help QBOXFS in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e., trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of QBOXFS's fees from its clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of QBOXFS's accounts.

Charles Schwab & Company, Inc.

With client's consent and direction, QBOXFS may execute and/or suggest the execution of transactions through Charles Schwab & Company, Inc. Member FINRA/SIPC ("Charles Schwab") an unaffiliated service provider. Factors which QBOXFS considers in recommending Charles Schwab (or any other broker-dealer/custodian) to clients include its respective financial strength, reputation, execution, pricing, reporting, research, and service.

Clients wishing to implement QBOXFS's advice are free to select any broker they wish and are so informed. Those wishing QBOXFS to recommend a broker will get a recommendation of Charles Schwab or others based on the broker's costs, skills, reputation, dependability and compatibility with the client. Clients are advised that they may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions.

QBOXFS may execute or recommend that clients execute their securities transactions through various firms including, but not limited to broker-dealers such as Charles Schwab, as mentioned previously. Charles Schwab and other firms may charge commissions (ticket charges) for executing QBOXFS's transactions. QBOXFS does not receive any part of these separate charges which are assessed directly to clients. Charles Schwab's role with respect to QBOXFS's investment advisory accounts is brokerage and custody services. It is also important to note that Charles Schwab does not maintain a supervisory relationship with respect to QBOXFS or its representatives nor are they in any way affiliated with it. QBOXFS is independently owned and operated.

QBOXFS may recommend/require that clients establish accounts with Charles Schwab or other firms to maintain custody of clients' assets and effect trades for their accounts. Such firms may provide QBOXFS with access to their institutional trading and custody services, which are typically not available to their retail investors. For QBOXFS clients' accounts maintained in their custody, Charles Schwab and other firms do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through their firms or that settle into their respective accounts.

Charles Schwab and other firms may also make available to QBOXFS other products and services that may benefit QBOXFS, but which may not benefit its clients. These types of services will help QBOXFS in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e., trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of QBOXFS's fees from its clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of QBOXFS's accounts.

Mid Atlantic Trust Company doing business as American Trust Company

With client's consent and direction, QBOXFS may execute and/or suggest the execution of transactions through Mid-Atlantic Trust Company doing business as American Trust Company, an unaffiliated service provider. Factors which QBOXFS considers in recommending American Trust Company (or any other

custodian) to clients include its respective financial strength, reputation, execution, pricing, reporting, research, and service.

Clients wishing to implement QBOXFS's advice are free to select any broker they wish and are so informed. Those wishing QBOXFS to recommend a broker will get a recommendation of American Trust Company or others based on the provider's costs, skills, reputation, dependability and compatibility with the client. Clients are advised that they may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions.

QBOXFS may execute or recommend that clients execute their securities transactions through various firms including, but not limited to providers such as American Trust Company, as mentioned previously. American Trust Company and other firms may charge commissions (ticket charges) for executing QBOXFS's transactions. QBOXFS does not receive any part of these separate charges which are assessed directly to clients. American Trust Company's role with respect to QBOXFS's investment advisory accounts is execution and custody services. It is also important to note that American Trust Company does not maintain a supervisory relationship with respect to QBOXFS or its representatives nor are they in any way affiliated with it. QBOXFS is independently owned and operated.

QBOXFS may recommend/require that clients establish accounts with American Trust Company or other firms to maintain custody of clients' assets and effect trades for their accounts. Such firms may provide QBOXFS with access to their institutional trading and custody services, which are typically not available to their retail investors. For QBOXFS clients' accounts maintained in their custody, American Trust Company and other firms do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through their firms or that settle into their respective accounts.

American Trust Company and other firms may also make available to QBOXFS other products and services that may benefit QBOXFS, but which may not benefit its clients. These types of services will help QBOXFS in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e., trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of QBOXFS's fees from its clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of QBOXFS's accounts.

#### Block Trading Policy

Our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments, we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Further, the investments we are responsible for trading in client accounts are typically limited to mutual funds, ETFs, and other broadly traded positions. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

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

#### Individual and Family Portfolio management

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. 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: Greg Moerchen, Managing Member and Chief Compliance Officer.

*REPORTS:* In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer/custodian, QBOXFS may provide quarterly or as requested reports summarizing account performance, balances and holdings.

#### Qualified Pension Consulting

*REVIEWS:* While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically reviews will be conducted as contracted for.

These accounts are reviewed by Greg Moerchen, Managing Member and Chief Compliance Officer.

*REPORTS:* In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer/custodian, QBOXFS may provide quarterly or as requested reports summarizing account performance, balances and holdings.

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

Other than the receipt of investment advisory fees described in Item 5 and the products/services we receive from broker-dealers/custodians described in Item 12 (please refer to Item 5 and Item 12 for full details), we do **not** receive economic benefits from third-parties for providing investment advice or other advisory services to our clients.

QBOXFS has no formal or informal relationship with promoters whereby cash compensation is given for referring potential clients.

However, we do receive referrals from retirement plan third-party administrators (TPAs) and retirement plan custodians. If we receive a referral from a TPA or retirement plan custodian, the referral must utilize the services of the referring service provider. Moreover, we will recommend TPAs and retirement plan custodians that refer clients to us. This creates a conflict of interest because our recommendation is based, at least partially, on the referrals they provide to us and not entirely on the client's overall best execution. You are never obligated or required to utilize the services of a TPA or retirement plan custodian that we recommend and can use any third-party service provider of your choice. You are encouraged to conduct your own due diligence of every third-party service provider including those recommended by QBOXFS.

### **Item 15 - Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

QBOXFS is deemed to have custody of client funds and securities whenever QBOXFS is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody QBOXFS will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which QBOXFS is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from QBOXFS. When clients have questions about their account statements, they should contact QBOXFS or the qualified custodian preparing the statement.

### **Item 16 - Investment Discretion**

When providing asset management services, QBOXFS maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, it is the policy of QBOXFS to consult with you prior to making significant changes in the account even when discretionary trading authority is granted.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations, and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to QBOXFS so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

### **Item 18 - Financial Information**

QBOXFS does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, QBOXFS has not been the subject of a bankruptcy petition at any time.