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## Define Financial, LLC

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### **Form ADV Part 2A – Firm Brochure**

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This Brochure provides information about the qualifications and business practices of Define Financial, LLC (“Define Financial”). If you have any questions about the contents of this Brochure, please contact us at (858) 345-1997. 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. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Define Financial is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), which can be found using the firm’s identification number 286648.

## Item 2: Material Changes

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- Since the filing of the last annual updating amendment on March 14, 2023, there have been no material changes to report.

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# Item 4: Advisory Business

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## Description of Advisory Firm

Define Financial, LLC is registered as an Investment Adviser with the U.S. Securities and Exchange Commission. We were founded on May 7, 2014. Taylor R. Schulte and Tyler J. Aubrey (via TJA Planning & Consulting LLC) are the principal owners of Define Financial.

## Types of Advisory Services

### Comprehensive Financial Planning & Discretionary Investment Management Services

This service involves working one-on-one with a planner over an extended period of time. By paying an ongoing fee, clients get continuous access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes, and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis:

- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.
- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may affect your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy. If you need to hire someone for such purposes, we can provide you with contact information for accountants or attorneys who specialize in this area. We will participate in meetings or phone calls between you and your tax professional with your approval.

- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies, such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time to time, we will participate in meetings or phone calls between you and your attorney with your approval or request.
- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Employee Benefits Optimization:** We will provide recommendations as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit, along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax

ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

The client always has the right to decide whether or not to act upon our recommendations. If the client elects to act on any of the recommendations, the client always has the right to affect the transactions through anyone of their choosing. In general, the financial plan will address any or all of the above areas of concern. The client and advisor will work together to select the specific areas to cover.

Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis, and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written or electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the client's convenience. The plan and the client's financial situation and goals will be monitored throughout the year, and follow-up phone calls and emails will be made to the client to confirm that any agreed-upon action steps have been carried out. On an annual basis, there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

We are in the business of managing individually tailored investment portfolios on a discretionary basis. Our firm provides continuous advice to a client regarding the 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, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

## **Pension Consulting Services**

We offer pension consulting services to employer plan sponsors. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring, and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure, and participant education.

All pension consulting services shall be in compliance with the applicable State law(s) regulating the services provided by this Agreement. This section applies to an Account that is a pension or other employee benefit plan (a "Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

## **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon a client Investment Policy Statement, which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client-specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

## **Wrap Fee Programs**

We do not participate in wrap-fee programs.

## **ERISA Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code (the "Code"), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## **Assets Under Management**

As of December 31, 2023, Define Financial manages \$205,229,307 on a discretionary basis and \$0 on a non-discretionary basis.



# Item 5: Fees and Compensation

Please note that unless a client has received the firm’s disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees and without penalty. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## Investment Management Services & Comprehensive Financial Planning

Clients have the option of paying for Comprehensive Financial Planning & Investment Management Services in two ways: 1) based on a % of assets being managed, or 2) a flat annual fee paid semi-annually, quarterly, or monthly. The details of each fee schedule are outlined below.

### Asset-Based Fee

The annual fees described below represent our maximum standard fee schedule, though fees are negotiable at our sole discretion, and certain clients may be charged pursuant to a different fee schedule from the one included below. Our standard blended advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
For the first \$1,000,000	1.25%
From \$1,000,001 to \$2,000,000	0.95%
From \$2,000,001 - \$5,000,000	0.70%
From \$5,000,001 - \$10,000,000	0.30%
For any amount above \$10,000,000	Negotiated

Notwithstanding the asset-based fee schedule above, Investment Management & Comprehensive Financial Planning clients are subject to a minimum annual fee of \$15,000 per year (charged in minimum quarterly increments of \$3,750 per quarter) (the “Minimum Annual Fee”). The Minimum Annual Fee is automatically increased at the end of each calendar year by 3%.

Fees are prorated and paid in advance on a quarterly basis. The advisory fee is calculated by assessing the applicable percentage rates to the applicable range of assets, as shown in the above chart. Fees are blended, such that the listed fee percentages shall apply to the corresponding Account Value range. For example, an Account Value of \$1.5 million shall be billed such that the first \$1 million is charged at 1.25% per annum and the remaining \$500,000 is charged at 0.95% per annum. Client deposits into an account are billed pro-rata based on the number of days remaining in the applicable billing quarter from the date of the deposit, and client withdrawals from an account are refunded pro-rata based on the number of

days remaining in the applicable billing quarter from the date of withdrawal. Pro-rata billing and refunding amounts are based on the aggregate value of the account, as shown in the above chart, including the applicable deposit(s) and withdrawal(s). No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are typically directly debited from client investment accounts. Alternatively, the client may choose to pay from a separate checking account by check, ACH withdrawal, or debit/credit card by a third-party payment processor. Accounts initiated or terminated during a calendar quarter will be issued a prorated refund based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance.

## **Flat Annual Fee**

The flat fee consists of an ongoing fee that is paid monthly, in advance. The fee can range between \$15,000 and \$50,000 per year, depending on the complexity and needs of the client. The fee will be due on the same date each month, quarter, or half-year, and can be debited from the client's investment or investment accounts, paid by check, or by ACH withdrawal or debit/credit card by a third-party payment processor. The fee may be negotiable in certain cases. This service may be terminated with 15 days' notice. Upon termination, any unearned fee will be refunded to the client on a prorated basis. Clients enrolled in our investment management service do not pay a fee for comprehensive financial planning, in addition to what they are paying for the investment management service. In other words, regardless of whether a client is charged the asset-based fee described in the section above or is charged a flat annual fee, Define Financial provides both investment management and financial planning services.

## **Pension Consulting Fee**

Define Financial's fees vary based on the complexity of the assignment. Fees can be monthly for ongoing services or a fixed fee for project-based, one-time engagements. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. Clients may terminate Define Financial's services at any time upon written notice. Upon termination, the client would be responsible only for the pro-rata portion of fees attributable to work already performed for the client.

A fixed fee may be quoted based on an estimate of hours for the services requested and can be between \$15,000 and \$50,000. Define Financial may request an initial deposit for fixed fee arrangements. The amount of a requested deposit will never exceed the fee for services to be provided within the first six months of an engagement.

For ongoing services, Define Financial charges an ongoing annual fee that is paid monthly, quarterly, or semi-annually in advance, at the rate of \$15,000 to \$50,000 per year. The fee may be negotiable in certain cases. The fee can be debited from the client's investment accounts, paid by a check, or by ACH withdrawal or debit/credit card by a third-party payment processor.

This service may be terminated with 15 days' notice. Upon termination, any unearned fee will be refunded to the client on a prorated basis.

### **Financial Planning Fixed Fee**

Financial Planning may be offered on a fixed fee basis as a standalone service that does not include investment management services. The fixed fee will be agreed upon before the start of any work and paid by check, ACH withdrawal, or debit/credit card by a third-party payment processor. The fixed fee can range between \$15,000 and \$25,000. The fee is negotiable. If a fixed fee program is chosen, we generally charge the entirety of the fixed fee at the beginning of the process. Alternatively, a client may request that half of the fee be due at the beginning of the process, with the remainder due at the completion of work. In any case, Define Financial will not bill an amount above \$1,200.00 more than 6 months in advance. In the event of early termination, the client will be billed for the hours worked at a rate of up to \$500.00 per hour. If the initial deposit is greater than the amount billed, then the client will be refunded the difference. If the initial deposit is less, then the client will be billed the difference.

### **Financial Planning Hourly Fee**

Financial Planning fees are negotiable in certain cases and may be offered at an hourly rate of up to \$500.00 per hour. The agreed-upon fee is due at the completion of the engagement, and the client may choose to pay by check, ACH withdrawal, or debit/credit card by a third-party payment processor. In the event of early termination by the client, any fees for the hours already worked will be due.

### **Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties, such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Please note that lower fees for comparable services may be available from other sources.

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

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We do not offer performance-based fees.

## Item 7: Types of Clients

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We provide financial planning and portfolio management services to individuals, high-net-worth individuals, charitable organizations, corporations, and other businesses.

We do not have a minimum account size requirement.

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

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We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted to achieve a desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio intended to generate returns greater than the broader market or a designated benchmark.

## Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium-cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed-income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

## Risks Associated with Securities

Apart from the general risks outlined above, which apply to all types of investments, specific securities may have other risks.

**Common Stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring, they could lose all value. A slower-growing or recessionary economic environment could adversely affect the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values, and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Fund (ETF)** prices may vary significantly from their Net Asset Value (NAV) due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open-end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. We have no control over the risks taken by the underlying funds in which clients invest.

# Item 9: Disciplinary Information

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## **Criminal or Civil Actions**

Define Financial and its management have not been involved in any criminal or civil action.

## **Administrative Enforcement Proceedings**

Define Financial and its management have not been involved in administrative enforcement proceedings.

## **Self-Regulatory Organization Enforcement Proceedings**

Define Financial and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of Define Financial or the integrity of its management.



# Item 10: Other Financial Industry Activities and Affiliations

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Neither Define Financial nor any employee is registered—or has an application pending to register—as a broker-dealer or a registered representative of a broker-dealer.

Neither Define Financial nor any employee is registered—or has an application pending to register—as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Define Financial only receives compensation directly from clients. We do not receive compensation from any outside source.

Neither Define Financial nor any of its management persons have any relationship or arrangement with any related person below:

- a. broker-dealer, municipal securities dealer, or government securities dealer or broker
- b. 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)
- c. other investment adviser or financial planner
- d. futures commission merchant, commodity pool operator, or commodity trading advisor
- e. banking or thrift institution
- f. accountant or accounting firm
- g. lawyer or law firm
- h. insurance company or agency
- i. pension consultant
- j. real estate broker or dealer
- k. sponsor or syndicator of limited partnerships

## **Recommendations or Selections of Other Investment Advisers**

Define Financial does not recommend or select other investment advisers for its clients.

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

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As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

## Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics Principles is outlined below.

- **Integrity** - Associated persons shall offer and provide professional services with integrity.
- **Objectivity** - Associated persons shall be objective in providing professional services to clients.
- **Competence** - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in the areas in which they are engaged.
- **Fairness** - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- **Confidentiality** - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process or as required by law.
- **Professionalism** - Associated persons' conduct in all matters shall reflect credit of the profession.
- **Diligence** - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current. We require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

## **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates, or any related person is authorized to recommend to a client—or effect a transaction for a client—involving any security in which our firm or a related person has a material financial interest, such as in the capacity of an underwriter, adviser to the issuer, etc.

## **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

From time to time, our firm or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that our firm or a related person recommends to clients. This has the potential to create a conflict of interest because it affords our firm or its related persons the opportunity to profit from the investment recommendations made to clients. Our policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by us or our related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances, our firm will act in the best interests of its clients.

## **Trading Securities at/Around the Same Time as Client's Securities**

From time to time, our firm or its related persons will buy or sell securities for client accounts at or about the same time that our firm or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords our firm or our related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Our policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by our firm or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances, our firm will act in the best interests of its clients.

# Item 12: Brokerage Practices

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We consider several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows us to fulfill our duty to seek the best execution for our clients' securities transactions. However, we do not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking the best execution. After considering the factors above, we recommend Fidelity Brokerage Services LLC ("Fidelity") as the custodial broker-dealer for client accounts.

We do not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, the custodial broker-dealer(s) recommended by us do provide certain products and services that are intended to directly benefit us, clients, or both. Such products and services include (a) an online platform through which we can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer(s)' educational conferences, (e) practice management consulting, and (f) occasional business meals and entertainment. The receipt of these products and services creates a conflict of interest to the extent it causes us to recommend Fidelity as opposed to a comparable broker-dealer. We address this conflict of interest by fully disclosing it in this brochure, evaluating Fidelity based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.

When selecting or recommending custodial broker-dealers, we do not consider whether we or a related person receive client referrals from a custodial broker-dealer or third party.

We do not routinely recommend, request, or require that a client direct us to execute transactions through a specified custodial broker-dealer other than Fidelity.

## **Aggregating (Block) Trading for Multiple Client Accounts**

Our firm retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by us, such aggregation will be done so as not to disadvantage any client and to treat all clients as fairly and equally as possible.

# Item 13: Review of Accounts

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Client accounts with the Investment Management Service will be reviewed regularly on at least an annual basis by Taylor R. Schulte, Founder, CEO, and CCO. The account is reviewed with regard to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as the receipt of dividends and interest.

Define Financial will provide written reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian(s).

## Item 14: Client Referrals and Other Compensation

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We do not receive any economic benefit—directly or indirectly—from any third party for advice rendered to our clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products and services that are intended to directly benefit us, clients, or both.

## Item 15: Custody

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For clients who do not have their fees deducted directly from their account(s) and have not provided us with any standing letters of authorization to distribute funds from their account(s), we will not have any custody of client funds or securities.

For clients that have their fees deducted directly from their account(s) or that have provided us with discretion as to the amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), we will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will we accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

If a client receives account statements from both the custodial broker-dealer and us or a third-party report provider, the client is urged to compare such account statements and advise us of any discrepancies between them.

# Item 16: Investment Discretion

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For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.



# Item 17: Voting Client Securities

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We do not vote Client proxies or advise clients as to how they should vote. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. To the extent that a client has designated Define Financial to receive proxy voting materials on its behalf by indicating as such on his or her brokerage account paperwork, we will not notify such client that it has received any proxy voting materials or forward any proxy voting materials to such client unless it is specifically requested by the client in writing that we do so. Clients reserve the right to instruct the custodian to deliver proxy voting materials directly to them at any time.

# Item 18: Financial Information

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Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.