

# ONIMCO

O.N. INVESTMENT MANAGEMENT COMPANY

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Form ADV Part 2A – Firm Brochure

Version: 3/28/2024

*This Brochure provides information about the qualifications and business practices of O.N. Investment Management Company. If you have any questions about the contents of this Brochure, please contact us by phone 855.262.0913, fax 513.794.4604, or email ONIMCO@ONESCOwealth.com. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission (SEC) or by any state securities authority.*

*O.N. Investment Management Company is a Registered Investment Adviser. Registration of an Investment Adviser does not imply a level of skill or training. The oral and written communications of an Adviser provide you with information with which you determine to hire or retain an Adviser. Additional information about O.N. Investment Management Company also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD Number for O.N. Investment Management Company is 105662.*

## Summary of Material Changes

Pursuant to SEC Rules, this document serves as a summary of material changes to the ONIMCO Firm Brochure. The ONIMCO Firm Brochure was previously released on March 30, 2022 and was recently updated on March 28, 2024. You may request a copy of our current Brochure at any time, without charge, by calling 855.262.0913, faxing 513.794.4604, emailing [ONIMCO@ONESCOwealth.com](mailto:ONIMCO@ONESCOwealth.com), or by written request to O. N. Investment Management Company, P.O. Box 371, Cincinnati, OH 45201-0371.

Additional information about O.N. Investment Management Company is available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with O.N. Investment Management Company who are registered, or are required to be registered, as Investment Adviser Representatives of O.N. Investment Management Company.

The information contained in this document may or may not apply to your unique situation. If you have questions regarding this information, you may contact ONIMCO directly or consult with your local Investment Adviser Representative.

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There have been no material changes since the previous release of the Firm Brochure on September 15, 2023.

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## Item 4 – Advisory Business

### O.N. Investment Management Company (ONIMCO)

#### Firm Description

Established in 1969, O.N. Investment Management Company (hereinafter “ONIMCO”) is a SEC Registered Investment Adviser and a subsidiary of The O.N. Equity Sales Company (hereinafter “ONESCO”), a full service broker/dealer registered with the SEC and FINRA. ONESCO is a wholly owned subsidiary of Constellation Insurance Holdings, Inc.

Generally speaking, ONIMCO advisers (hereinafter "Investment Adviser Representatives" or "IARs") are required to maintain the FINRA Series 6 (Investment Company and Variable Contracts Registration) or the Series 7 (General Securities Registration), and must be authorized to act as an investment adviser under the state securities regulations for the states in which they conduct business. Generally, the state securities regulations require a representative to have a Series 65 (Uniform Investment Adviser Law), Series 66 (Uniform Combined State Law) or hold a certain professional designation.

#### Description of Services

IARs of ONIMCO provide Financial Planning Services and Investment Advisory Programs as described below.

#### Financial Planning Services

A financial plan is defined as an outline designed to help provide you with recommendations of how to efficiently invest or allocate the money you currently have and help provide you with ideas of how to increase the value of your funds for the future. Financial plans can sometimes be simple, but more often are comprehensive and involve various aspects of personal finance such as: cash flow management, education planning, retirement planning, investment planning, risk management, insurance planning, estate planning, etc.

In developing a personalized financial plan for clients, ONIMCO IARs may provide:

1. Comprehensive Financial Planning – Using approved software programs, ONIMCO advisers will assist you in developing a detailed strategy for your financial situation. The plan will cover present and anticipated assets and liabilities, including but not limited to insurance, savings, investments, and anticipated retirement or other employee benefits.
2. Modular Planning – More limited than a comprehensive financial plan, a modular plan will focus on a specific need such as: retirement funding, college funding, or Estate Planning. Approved software will also be used when performing Modular Planning.
3. Specialized Financial Services – Refers to services performed by ONIMCO advisers based on a specific client need which is charged at an hourly fee or fixed fee for a specific time period (not to exceed one year). These services are limited to specific topics within the financial planning area. Examples include but are not limited to: Insurance Analysis, Investment Analysis, Cash Flow Analysis, Education Planning, Retirement Planning, and Special Needs Planning.

The Comprehensive and Modular planning process often consists of two stages. In the first stage, your adviser will work with you as an objective adviser. He/she will help you determine your financial goals and objectives. Based on the information you provide, the investment adviser will create a plan tailored to your specific situation. The recommendations will be general in nature, in that they will not recommend any company's specific products or

securities, but will instead focus on strategies that you should consider in order to achieve the goals that you've identified as being most important to you.

Once your adviser has completed the plan, he/she will then review the plan with you and may offer to help you implement the plan. Once created, you are under no obligation to implement the plan or to continue working with the same adviser. However, if you do decide to put the plan to work utilizing the same adviser who created the plan, then he/she will work with you in order to choose the specific products that may be necessary to help you achieve your goals.

### **Investment Advisory Programs**

In order to assist you with the management of your accounts, IARs of ONIMCO may choose to utilize Third Party Investment Advisory Programs or act as Portfolio Manager through two IAR-Directed Programs available through Envestnet. Additionally, ONIMCO and its IARs may provide a variety of services for compensation to ERISA plan fiduciaries and plan participants.

### **Third Party Investment Advisory Programs**

ONIMCO has agreements with the following non-affiliated investment advisory programs. For most programs, ONIMCO IARs act as a solicitor. ONIMCO IARs who recommend these programs are required to deliver to clients the Form ADV Part 2 of the non-affiliated adviser as well as the ONIMCO Form ADV Part 2. Each of these programs offers services to ONIMCO clients on a discretionary basis. Clients seeking more information about these programs should consult Form ADV Part 2 of the particular non-affiliated program.

#### **Third Party Programs**

- AssetMark, Inc.
- Brinker Capital / Orion Portfolio Solutions, LLC
- City National Rochdale
- Envestnet, Inc
- BNY Mellon Advisors, Inc.
- Morningstar Investment Services, LLC
- SEI Investment Management Corp
- Symmetry Partners, LLC

## **IAR-Directed Programs**

There are two IAR-Directed Programs available to ONIMCO advisers and their clients: ***Adviser as Portfolio Manager*** Program and an ***IAR-Directed Unified Managed Account Program*** both available through Envestnet Portfolio Solutions. These programs are unique because in lieu of having a third party professional money manager select and monitor which specific investments should be utilized, the ONIMCO Investment Adviser Representative will have the discretion to select the investments on the client's behalf based upon several factors, including but not limited to: investment time horizon, risk tolerance, financial situation, net worth, investment experience, and investment objectives. The Adviser as Portfolio Manager Program allows the IAR to construct a portfolio by utilizing a combination of individual stocks, bonds, mutual funds, and certain exchange-traded funds ("ETFs"). Additionally, IARs may use certain fee or commission-based Variable Annuities alone or in combination with managed portfolios for clients. The compliance rules and oversight under the Adviser as Portfolio Manager also apply to the variable annuity sub-accounts. The IAR-Directed Unified Managed Account Program also allows the IAR the ability to construct a portfolio utilizing individual securities, mutual funds, certain ETFs, as well as Fund Strategist Portfolios, Separately Managed Accounts ("SMAs"), and Adviser Constructed Sleeves. These portfolios are constructed by the IAR based upon the client's specific investment objectives and risk tolerance, and the accounts are monitored and rebalanced by the IAR for the Adviser as Portfolio Manager or rebalanced by Envestnet for the Unified Managed Account Program.

With both of the IAR-Directed Programs described above, ONIMCO IARs will assist with the client's initial asset allocation and monitor the accounts to provide reallocation of the assets as needed. IARs periodically review accounts and will consult with clients, at least annually, in order help ensure that the account holdings are appropriate given the client's time horizon, risk tolerance, investment experience, and goals. You, as a client, are responsible for contacting the Investment Adviser Representative in order to provide updates to any material changes that may occur to your circumstances which may impact your goals and objectives for your accounts. In seeking investment advice, you are responsible for providing accurate information about your financial status, goals, and risk tolerance to help ensure that appropriate recommendations are provided.

## **Retirement Plan Advisory Services**

ONIMCO and its IARs provide a variety of services for compensation to ERISA plan fiduciaries and plan participants. ONIMCO and its IARs may provide education and enrollment services to ERISA plan fiduciaries and plan participants. ONIMCO IARs may provide non-fiduciary consulting services to plan sponsors. The IAR will generally establish the plan sponsor's needs and objective through an initial meeting to collect data and review plan information to assist the sponsor in developing or updating a plan. IARs may provide general investment-related guidance, investment education and information about plan design, investment options and rollovers to a retirement plan fiduciary and its participants without being considered a fiduciary.

ONIMCO guidelines regarding retirement plan advisory services require the plan to adopt third party professional investment fiduciary services to provide ERISA 3(16), 3(21) and/or 3(38) plan and investment services for the plan sponsor. ONIMCO IARs are not authorized to have discretionary authority (3(38)) over an ERISA plan account, but may in some pre-approved cases provide non-discretionary investment services (3(21)) by providing recommendations regarding the selection and review of investment options for the plan sponsor. Plan sponsors are under no obligation to follow the recommendations of the IARs in these instances.

ONIMCO IARs providing services to retirement plan sponsors must enter into either a fee-for-plan consulting agreement or non-fiduciary services agreement with the plan sponsor. ONIMCO does not provide recordkeeping or TPA services for plans and relies on several sponsors to provide these services to plan sponsors and ONIMCO IARs.

ONIMCO IARs work with many strategic partners who provide retirement plan services. Your ONIMCO IAR will work with you to help determine which strategic partner may be the best fit for your specific situation.

**Assets Under Management:** (as of December 31, 2023)

Discretionary: \$654,726,293

Non-Discretionary: \$1,540,721,448

Total: \$2,195,447,741

## **Item 5 – Fees and Compensation**

- Comprehensive Financial Planning and Modular Planning relationships are charged a fee based upon an agreed upon amount prior to engaging in the planning relationship. Specialized Financial Services relationships are based on an hourly or fixed amount which is stated prior to engaging in the relationship.
- Clients utilizing ONIMCO's Investment Advisory Services are charged a fee based on a percentage of assets under management as described below.

### **Fees for Financial Planning Services**

#### **Comprehensive Financial Planning and Modular Planning**

The specific fee may vary from client to client based upon the complexity of a particular client's financial position as well as the complexity of the client's financial objectives. The fee shall not generally exceed \$5,000.00 unless an ONIMCO Home Office Review Principal has reviewed the specific circumstances and authorized its Investment Adviser Representative to charge a higher fee. The fee will be disclosed in writing through the Client Advisory Agreement prior to engaging in the plan. By signing the Client Advisory Agreement you acknowledge the amount of the fee and agree to compensate ONIMCO for the services described. The IAR receives compensation for the financial plan after the plan is reviewed and approved by a Financial Plan Review Principal and then delivered by the IAR. If you decide to terminate the Financial Planning agreement prior to the completion of the plan, payment will be owed for the time spent developing the financial plan prior to such termination. The amount due in the event of the termination will be a pro-rata amount based upon the degree of completion of the financial plan at the time the notification of termination was received.

#### **Specialized Financial Services**

The fee for Specialized Financial Services provided on an hourly basis are disclosed in writing on the Client Advisory Agreement and can not exceed \$350/hr or \$5000/year unless an ONIMCO Home Office Review Principal has specifically authorized the IAR to charge a higher fee. The hourly rate and the estimated number of hours needed to complete the requested service will be disclosed in writing through the Client Advisory Agreement prior to engaging in the service. The number of hours needed to complete the plan will vary based upon the complexity of the request. If you decide to terminate the Financial Planning agreement prior to the completion of the Specialized Financial Services, payment will be owed for the time spent performing the services prior to such termination. The amount due in the event of the termination will be the hourly rate previously agreed upon multiplied by the number of hours the Investment Adviser Representative has spent on the services.

Specialized Financial Services provided on a fixed basis are based on a pre-negotiated fee for an agreed upon time period. The fee can not exceed \$5000/year unless an ONIMCO Home Office Review Principal has specifically authorized the IAR to charge a higher fee. The time period for the relationship cannot exceed one year unless renewed. The fixed fee will vary based upon the complexity of the request. If you decide to terminate the Financial Planning agreement prior to the completion of the Specialized Financial Services, payment will be owed for the pro-rated amount of time spent in the relationship.

Checks for Financial Planning Services must be made payable to ONIMCO.



## Fees for Investment Advisory Programs

### Summary

Each program sponsor available through ONIMCO has its own unique fee schedule. Program sponsors typically provide a tiered fee schedule where larger account sizes may receive a reduced fee. A separate disclosure document containing the fee schedule of the program sponsor and professional money manager will be provided upon recommendation of that service and will be furnished by the program sponsor. Prior to investing, you should read all disclosure materials carefully and consult with your Investment Adviser Representative to ensure your full understanding of the fees involved and services provided within each program.

Fees for Investment Advisory Programs are deducted directly from your account quarterly and are based upon the market value of the assets within the account. Direct billing of fees is not available. Monthly billing based upon the market value of the assets within the account may also be available for select advisors on SEI's platform. The fees deducted from the account are used to compensate the program sponsor, professional money managers (if applicable), the account custodian, ONIMCO, and the Investment Adviser Representative. The IAR's portion of the fees for the managed account programs are negotiable and may be adjusted at the discretion of the individual IAR. Investment Adviser Representatives may charge between .30% - 1.50% annually. This may not be inclusive of all fees. Additional advisory fees may be charged depending upon the Third Party Adviser selected. Please refer to the ADV Part 2 of the specific Third Party Adviser for their specific fee schedule. The advisory fee typically will be deducted from the account by the custodian and paid either quarterly in arrears or quarterly in advance depending upon the advisory program. ONIMCO clients with similar account size might not pay the same fee. Similar services may be available from other investment advisory firms for fees which are lower than, equal to, or higher than ONIMCO's fees. Depending upon the Third-Party Adviser, additional fees may apply for items such as custody and recordkeeping, annual account maintenance, or closing an account.

In addition to advisory fees, clients are charged, if applicable, individual retirement ("IRA") annual maintenance fees, tax-qualified plan trustee fees, certain custodial fees, and other ancillary charges within these accounts. You are charged for specific account services, such as account transfer fees, electronic fund and wire transfer charges, checking fees, and for other optional services elected by you on a per event basis. These fees are subject to the pricing schedule set by the Custodian and agreed upon by ONIMCO. If Pershing is the selected Custodian, these fees are in some cases marked up by ONIMCO (which can be substantial) and shared between Pershing and ONIMCO. Our receipt of custodial fees creates a conflict of interest for ONIMCO because the fees constitute additional revenue to us. To mitigate this conflict, we do not share custodial fee revenues with your IAR, and we do not incentivize IARs to recommend specific advisory programs over others.

**Additional elective services:** An additional charge of up to 10 basis points (0.10%) is added to your Advisory Fee if you elect certain tax management services, ESG or socially responsible screening, or other portfolio customization as described in the client's SIS (Statement of Investment Selection). This charge is paid to the investment manager or the "overlay manager" that applies the elective services to your investments.

**APM Premiere Pricing:** For certain IARs of ONIMCO who utilize Envestnet's services and meet AUM thresholds, their clients may benefit by receiving reduced program fees. .

Your IAR may change. Upon a change in your IAR, the prior IAR may receive a percentage of the compensation from your account for up to five years. ONIMCO will review and approve any such fee split between your former and current IAR. A change in IAR will not affect the overall fee charged to your account unless a new fee schedule is agreed to in writing.

The advisory fee does not include any investment management or other fees and expenses charged by the exchange-traded funds (ETFs), mutual funds, and/or variable annuities in which the accounts may be invested, all of which are

fully disclosed within the specific product's prospectus. More specifically, portfolio managers offering mutual funds and ETFs pass their internal transaction and execution cost on to the shareholders of their funds. Such investment companies also pass the cost of compensating their management/research personnel, as well as the cost of other internal administrative services, on to the shareholder. In addition, some portfolio managers pay 12b-1 service fees, distribution fees, recordkeeping fees, and/or shareholder accounting fees to custodians and broker-dealers, which offer such funds to the clients. These fees reduce the net asset value of mutual fund/ETF shares, and are thus indirectly borne by fund shareholders, including clients of ONIMCO who may hold such investments. ONIMCO Investment Advisers using the adviser directed APM and UMA accounts have access to and are instructed to utilize the most cost-effective classes available and feasible considering the funds minimums. As of March 24, 2017 all Envestnet third party and advisor directed accounts that utilize mutual funds paying 12b-1 fees will automatically direct those payments back into the client's account. ONIMCO conducts periodic reviews of the mutual fund share classes available through each custodian and to the extent possible will convert client holdings to a lower cost share class where available. For specific information regarding these fees please consult the fund's prospectus.

Pershing retains no-transaction fee (NTF) revenue-sharing payments on behalf of ONIMCO from several funds that participate in those services to promote their funds. Revenue-sharing payments typically are paid from the fund advisor's management fee and are not directly borne by clients, but NTF funds are typically more expensive than other shares classes for which clients, at certain funds, would be eligible. Revenue-sharing payments Pershing receives is material and is used to offset other costs for providing an advisory platform such as trading costs and platform costs. Client portfolios utilizing NTF shares may benefit from an overall lower cost due to no custody fees being charged against the NTF shares. Additionally, ONIMCO account money market sweep options are limited to fund classes that do not provide revenue sharing, reducing internal expenses.

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

This section is not applicable.

ONIMCO and ONIMCO's Investment Adviser Representatives do not charge or accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) nor do we enter into performance-based fee arrangements with clients.

## **Item 7 – Types of Clients**

ONIMCO advisers provide services to individuals, families, trusts, estates, charitable organizations, businesses, and other organizations throughout the United States.

### **Financial Planning Services – Account Minimums**

ONIMCO generally does not impose a minimum dollar of amount of assets in order to provide financial planning services, but reserves the right to do so on a case-by-case basis.

### **Investment Advisory Services - Account Minimums**

The minimum investment amount needed to open an investment management account ranges from \$0 - \$2,000,000 depending upon both the Third Party Program and the specific product selected within the adviser's program. Each adviser and product will have its own set minimum investment amount. Please refer to the Third Party Adviser's materials for the specific account minimum for each product offering and consult with your Investment Adviser Representative for further assistance.

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

### **Financial Planning Services**

As part of the financial planning process, an ONIMCO Investment Adviser Representative will work closely with you in order to collect important background information about your unique situation to help identify needs and opportunities which will serve as the basis for the IAR's recommendations. Comprehensive Financial Plans are produced using computer software programs approved for use by ONIMCO. Financial Plans will typically explore "what if" type scenarios allowing the IAR to present recommendations in consideration of these events. The recommendations will typically be general in nature, yet unique to your specific situation. For example, the recommendation may identify a need such as: additional life insurance coverage for you and your spouse, but will not recommend the purchase of a specific company's life insurance product. The recommendations will typically address the tools and general investment categories that you should consider when implementing the plan, but will not offer specific legal or tax advice.

As part of the effort to understand your unique situation, the IAR may ask to review financial documents or may coordinate a review with other professionals such as attorneys, accountants, or consultants that you currently work with. Your investment adviser will help you analyze areas such as: asset allocation and investment planning, income protection needs, tax considerations, retirement planning, education planning, estate planning, and other areas. The recommended strategies in your plan will be based on careful analysis of the information you provided about your current financial situation, risk tolerance, and long-term financial goals.

It is important to understand that any investment involves certain risks. ONIMCO and the Investment Adviser Representative do not make any representation or provide any warranty as to any investment return that may or may not be realized as a consequence of following the Financial Plan or Specialized Financial Services developed on your behalf. You should understand that it is possible to lose money by implementing the Financial Plan or Specialized Financial Services. Any recommendations or advice offered by ONIMCO and the Investment Adviser Representative is not legal advice or accounting advice. You should coordinate and discuss the impact of any financial advice with an attorney and/or tax professional.

### **Investment Advisory Services**

If engaged to provide investment advisory services, the Investment Adviser Representative will first evaluate your current financial situation, needs, goals, objectives, and tolerance for risk. Upon reviewing these factors the IAR will assist you in selecting a Third Party Adviser and/or construct a portfolio to help you achieve your goals. Each individual client's situation is unique, so product selection may vary based upon your individual needs. Investment decisions are then made to, in the IAR's best judgment, help you achieve your overall financial objectives while also attempting to minimize risk exposure. Asset allocation is a key component of investment portfolio design, but does not assure a gain and does not prevent or prevent against a loss in declining markets. Some investment professionals believe that the appropriate allocation of assets across diverse investment categories (stock vs. bond, foreign vs. domestic, large cap vs. small cap, high quality vs. high yield, etc.) is the primary determinant of portfolio returns and critical in the long-term success of one's financial objectives. Tactical management strategies may also be utilized by advisers. Tactical asset allocation is an active management portfolio strategy that shifts the percentage of assets held in various categories to take advantage of market pricing anomalies or strong market sectors. Tactical management may also be utilized by advisors in an attempt to protect against sustained market declines. However, these strategies cannot guarantee success or specific rates of return. Recommendations provided may be based upon publicly available reports, individual analysis, research materials and computerized asset allocation models.

No guarantees can be offered that your goals and objectives will be achieved. Additionally, no promises or assumptions can be made that the advisory services offered through ONIMCO will provide a better return than other investment strategies. The strategies that are recommended generally do not involve significant or unusual risk beyond that of the general domestic and/or international equity and/or bond markets. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## Item 9 – Disciplinary Information

Registered Investment Advisers such as ONIMCO are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

ONIMCO Entered into a Settlement with the SEC related to their 12b-1 Initiative Examination. The settlement includes a number of items to be undertaken by ONIMCO, including determining customer harm, customer notification, and restitution. Details of the Settlement are provided below:

In 2019, the SEC staff requested documents and information from ONIMCO investigating and seeking to identify conflicts of interest that arise: 1) where investment advisers failed to make required disclosures relating to their selection of certain mutual fund share classes that paid the adviser (or its related entities) a fee pursuant to Rule 12b-1 under the Investment Company Act of 1940 (“12b-1 fee”) when a lower-cost share class for the same fund was available to clients, 2) where investment advisers failed to adequately make required disclosures relating to their selection of certain mutual funds or share classes and cash sweeps that paid the adviser or its related entities revenue sharing payments when other funds or share classes of the same funds or other cash sweeps were available to the clients that presented a more favorable value for those clients under the particular circumstances in place at the time of the transactions. ONIMCO cooperated with the SEC’s investigation and elected to make an offer of settlement to the SEC, and the SEC issued an Order Instituting Administrative Cease-and-Desist Proceedings against ONIMCO on January 11, 2022 (the “Order”).

The Order stated that for the period from 2014 through March 2017, ONIMCO advised clients to purchase or hold mutual fund share classes that paid 12b-1 fees to ONIMCO or its affiliated broker-dealer instead of lower-cost share classes for the same funds for which the clients were eligible. The SEC further stated that, starting no later than 2014, ONIMCO recommended or invested for advisory client’s mutual funds or share classes or cash sweeps that paid revenue sharing payments to ONIMCO’s affiliated broker-dealer instead of lower-cost funds or share classes for the same mutual funds or cash sweeps for which the clients were eligible. The Order stated that ONIMCO did not adequately disclose these conflicts of interest, and that the failure to do so constituted breaches of ONIMCO’s fiduciary duty, duty to seek best execution, obligation to maintain an effective compliance program, and that this conduct violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder. The Order, among other things, censured ONIMCO and ordered ONIMCO to cease-and-desist from any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder, and to pay \$866,257 in disgorgement, \$162,396 in prejudgment interest, and a \$210,000 civil monetary penalty. ONIMCO consented to entry of the Order without admitting or denying the SEC’s findings (except as to jurisdiction and the subject matter of the action, which was admitted) and undertook to: review disclosures concerning its selection process for mutual funds, share classes, and cash sweeps; evaluate whether to move clients to different mutual funds, share classes, or cash sweeps; evaluate and review for effectiveness ONIMCO’s compliance policies and procedures; notify affected investors of the terms of the Order; and certify compliance with its undertakings.

Prior to the entry of the Order, in March 2017, ONIMCO began rebating 12b-1 fees to clients on a going forward basis. Prior to the entry of the Order, ONIMCO and its affiliates implemented remedial measures including ceasing receiving revenue sharing on client advisory assets invested in mutual funds and transitioning its cash sweep options for its clients to money market funds that do not pay revenue sharing to ONIMCO or ONIMCO’s affiliates, as well as revising disclosures as described in the Order.

The SEC’s Order can be found at <https://www.sec.gov/litigation/admin/2022/ia-5944.pdf>. If you have any questions regarding this Notice or would like to request additional information regarding the order and settlement terms as they relate to affected investors, please contact [ONIMCO@ONESCOwealth.com](mailto:ONIMCO@ONESCOwealth.com).

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

ONIMCO is a subsidiary of The O.N. Equity Sales Company (ONESCO), a full-service broker/dealer registered with the SEC and FINRA. ONIMCO's Investment Adviser Representatives are typically also Registered Representatives of ONESCO and effect securities transactions for compensation for customers. Investment Adviser Representatives are also agents of various insurance companies and may hold other licenses. Following the creation of a financial plan, the IAR may then, at your request, act in the capacity of a FINRA Registered Representative, Investment Adviser Representative, or insurance agent. The IAR may recommend the purchase of securities products that have a sales load or a commission that the IAR would receive upon the client's purchase of a product. This could create a potential conflict between the interests of the IAR and the interests of the client. Once a financial plan is created, you are under no obligation to act on the recommendations of ONIMCO or its IAR. If you choose to act on the recommendations of your IAR, you are under no obligation to effect any investment, insurance, real estate, or securities transaction through ONIMCO or its affiliates. In order to address the potential conflicts of interest that exist, the financial plans are reviewed by a Financial Plan Review Principal employed by ONIMCO to verify that the recommendations are appropriate based upon your specific needs.

ONIMCO is affiliated with Constellation Insurance, Inc. and its subsidiaries which are also investment advisers registered with the SEC.

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

### **Code of Ethics**

ONIMCO adopted a written Code of Ethics and its Investment Adviser Representatives are required to acknowledge receipt and understanding of the Code of Ethics upon registration.

The Code of Ethics sets forth a standard of conduct and professionalism that applies to all persons designated by the Rule of Supervised Persons and Access Persons of ONIMCO. The Code of Ethics is designed to protect ONIMCO's clients by establishing standards of ethical conduct, deterring unethical behavior, and protecting against violations of federal securities laws.

It is ONIMCO's policy that all business must be conducted in accordance with the highest moral and ethical standards as set forth in the Code of Ethics (the "Code"). It includes moral, fiduciary, legal, and ethical standards and requirements that must be satisfied in order to comply with the Code. The Code also establishes procedures that must be followed to ensure compliance with the Code. It also includes provisions relating to the confidentiality of client information.

ONIMCO will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

Neither ONIMCO nor ONIMCO's Investment Adviser Representatives have a participation or interest in client transactions.

### **Personal Trading**

ONIMCO IARs may buy or sell securities which he or she recommends to their ONIMCO clients. Trades placed by IARs in their own brokerage accounts are reviewed to prevent prohibited transactions. ONIMCO's Code of Ethics specifically addresses prohibited transactions, reporting violations, and possible sanctions for violations of the Code of Ethics which each IAR of ONIMCO is required to sign, acknowledge, and adhere to.

## **Item 12 – Brokerage Practices**

ONIMCO Investment Adviser Representatives do not recommend specific broker/dealers when engaging in Financial Planning Services for clients. Neither ONIMCO nor its Investment Adviser Representatives receive any research, products, or other "soft dollar benefits" in connection with client securities transactions.

## **Item 13 – Review of Accounts**

**Financial Planning Services** – The proposed Financial Plans are submitted to the Home Office and are reviewed by designated Financial Plan Review Principals to verify that the recommendations are appropriate based upon your individual needs.

**Investment Advisory Services** – Designated Home Office personnel of ONIMCO will review all new account applications to determine whether the account selected will be suitable based upon your specific financial goals and needs. The accounts are subject to exception reporting on a regular basis. The exception reporting is designed to identify unusual activity within the accounts or potential areas of concern.

Performance Reports are provided by the Program Sponsors on a quarterly basis.

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

ONIMCO receives payment in connection with giving advice to clients through its solicitation agreements with the available programs. ONIMCO's obligation under the solicitation agreement generally includes collecting client information, providing clients with information regarding the program, updating client information and performing periodic reviews. ONIMCO and the IARs receive compensation from the programs for performing these services.

ONIMCO IARs enter into agreements with third parties (Solicitors) and marketing firms who will receive compensation from the IAR for referring prospective investment advisory clients. Solicitors introducing clients to ONIMCO IARs receive compensation directly from the IAR, such as a flat fee per referral with the amount of the fee varying depending on size of the referral and other factors. Clients that are introduced to ONIMCO IARs through a Solicitor will be provided a solicitor disclosure statement that describes the material terms of the compensation arrangement between the ONIMCO IAR and Solicitor and any other documents required under applicable law. The written agreements will comply with Rule 206(4)-3 under the Advisers Act and generally may be terminated by either party within specified timeframes. The fees that ONIMCO IARs pay to Solicitors are not based on the referral becoming a client nor are they passed on to referred clients. However these solicitation agreements create a conflict of interest both on the part of the Solicitor, which has a financial incentive to make referrals even if they are not in the best interest of the client, and on the part of the ONIMCO IAR, which may offset these costs by increasing their IAR fee or otherwise be hesitant to reduce client fees in various instances.

## **Item 15 – Custody**

### **Custody of Client Assets**

ONIMCO does not maintain physical custody of client funds or securities. Investment accounts are established with a "qualified custodian," namely a broker/dealer, bank or trust company. Each client has a direct relationship with their custodian. Clients participating in Lockwood Managed Accounts, Envestnet, and Morningstar Investment Services, LLC receive periodic account statements from The O.N. Equity Sales Company's clearing firm, Pershing, LLC. Account statements are typically issued quarterly, but may be sent more frequently depending upon the activity within the account. Statements are also received by clients directly from the Third-Party programs and will be delivered at least quarterly. In addition to Pershing, LLC, available custodians for Morningstar Investment Services, LLC include Fidelity Brokerage Services, LLC and Charles Schwab & Co. Inc. Direct TAMPS may make other custodians available for client accounts as well. Please refer to the specific product materials for additional information.

## **Item 16 – Investment Discretion**

ONIMCO IARs have discretionary authority over assets held within the Adviser as Portfolio Manager program of the Envestnet Platform. Discretionary authority exists when your Investment Adviser Representative has the control to decide which securities to buy and sell, or which investment advisers / professional money managers to retain on your behalf. Having discretionary authority means it is not necessary for the IAR to first obtain your consent prior placing transactions. Your Investment Adviser Representative's discretionary authority is limited to the choice of investments/advisers available within the program. Your representative does not have the ability to add or remove assets from the account without your prior authorization. The representative's discretionary authority is to be exercised in a manner consistent with your stated investment objectives established for the account.

ONIMCO IARs do not have discretionary authority on the accounts held through the other third-party money managers available through ONIMCO. In these accounts, the third-party money managers have discretion.

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

As a matter of firm policy and practice, ONIMCO does not have authority to and does not vote proxies on behalf of advisory clients. You will receive the proxies or other solicitations directly from the custodian or transfer agent, or depending upon the program, this responsibility is deferred to the professional money manager to be made on your behalf. ONIMCO IARs may assist you with questions regarding proxy voting if requested to do so, but generally these questions should be directed to the issuer of the security.

## **Item 18 – Financial Information**

ONIMCO does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to include a balance sheet with this brochure. Neither ONIMCO nor its management have financial conditions which are likely to reasonably impair the ability to meet contractual commitments to clients. ONIMCO has never been the subject of a bankruptcy petition.