

**Item 1      Cover Page**



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**ADV Part 2A, Brochure**

March 13, 2024

This Brochure provides information about the qualifications and business practices of Tarbox Family Office, Inc. If you have any questions about the contents of this brochure, please contact us at (949) 721-2330, or email [mary@tarboxgroup.com](mailto:mary@tarboxgroup.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 Tarbox Family Office, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

*We are registered with the Securities and Exchange Commission, which does not imply a certain level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you may use in your decision to hire us or continue a professional relationship with us.*

*Our Chief Compliance Officer, Mary Sigler, is available to discuss this Brochure or any conflicts of interest addressed.*

**Item 2            Material Changes**

There have been no material changes to this ADV Part 2A, Brochure since the previous annual amendment filing on March 22, 2023.

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## **Item 4            Advisory Business**

### **A.    History of the firm; ownership of the firm.**

Laura Tarbox began her career in the advisory business in 1980 with a boutique investment firm in Tustin, California, which was affiliated with a large independent broker/dealer. Although she found the world of investments to be very compelling, the industry culture of day trading stocks, pitching the latest investments and cold calling for new clients quickly lost its appeal. Laura discovered the CERTIFIED FINANCIAL PLANNER™ courses, where she found she could use her investment knowledge in conjunction with the practice of holistic planning and became one of the early pioneers of the financial planning profession. Laura completed the CFP® program in 1983, and founded The Tarbox Group, Inc. on January 1, 1985 in California.

Laura Tarbox is the owner and principal of Tarbox Family Office, Inc., and founded the firm as an SEC-registered investment adviser. Never comfortable with the conflicts inherent in selling products, Laura made the decision to drop her securities and insurance licenses in 1990, becoming one of the first truly fee-only financial advisors in the U.S. The firm is not affiliated with any bank, brokerage firm, insurance, or trust company, and is privately held. Tarbox Family Office, Inc. does not sell any products, or take any commissions, trails, or referral fees. Our allegiance is to our client, and our incentive is to serve our clients' best interest.

During the 1990s, Laura built the firm and its reputation, and has developed a team approach to providing financial planning and investment advisory services. She has added talented, multi-disciplined professionals with expertise in tax, investments, retirement, and estate planning.

### **B.    Types of Services**

#### **Financial Planning, Tax Preparation and Consulting Services**

Tarbox Family Office, Inc.'s approach starts with the evaluation and review of its clients' financial concerns, risks, and objectives. We suggest strategies to accomplish agreed-upon goals and use a coordinated implementation and follow-through process once decisions are made. Results and progress are evaluated on an ongoing basis.

Financial planning services may include:

- Coordination of multi-generational estate planning and wealth transfer
- Assistance in establishing goals and development of overall family financial plan
- Advice on philanthropic giving and management
- Help with maximizing employee benefits
- Assistance with complex financial transactions
- Work with and/or coordination with other close family members
- Cash-flow analysis and management
- Review and management of insurance coverage
- Ongoing tax planning, consulting, and coordination
- Preparation of income tax returns under the terms of a separate agreement

#### **Investment Advisory Services**

Investment management is implemented as part of the client's overall plan and involves the management and oversight of all assets on an ongoing basis. We provide disciplined and customized institutional-grade investment management for both taxable and tax-deferred clients.

Tarbox Family Office, Inc. uses an asset class investing approach, with a variety of asset types to build portfolios, and a strong preference for liquidity, where possible. Tarbox Family Office, Inc. looks at the performance of various asset classes over long periods of time to determine its sector allocations for its models, then chooses the most appropriate vehicle to obtain the appropriate exposure to those asset classes.

### Equities

Tarbox Family Office, Inc.'s core investment portfolios include equity exposure to Global, Domestic (U.S.), Developed International and Emerging Markets. We diversify across equity markets, making small shifts into equity exposures that look most attractive to use for the next one to three years. For example, we may overweight U.S. stocks and underweight developed international stocks. Within the broader equity market, we invest across market capitalizations (large, mid, small and microcap) and styles (value and growth). The focus is not on individual companies or marketing timing maneuvers.

Typically, the firm indexes the core of each of our equity portfolios. Tarbox Family Office, Inc. believes traditional index funds have significant benefits that include an easily understandable discipline, transparency, reduced costs, tax efficiency, and lack of subjectivity, all of which have been shown to add significantly to investment returns. For example, we use S&P 500 index funds to provide primary exposure to large-cap U.S. stocks. We will often use Exchange Traded Funds ("ETFs") to implement index strategies. When consistent with a client's investment objectives, we may allocate to "interval funds." Investment companies structured as "interval funds" are generally designed for long-term investors that do not require daily liquidity. Shares in interval funds typically do not trade on the secondary market. Instead, their shares are subject to periodic redemption offers by the fund at a price based on net asset value. Accordingly, interval funds are subject to liquidity constraints. Interval funds investing in securities of companies with smaller market capitalizations, derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Generally, the interval funds we use offer a two to three week period, on a quarterly basis, during which the client may seek the redemption of the previously purchased interval funds.

We may include actively managed mutual funds in client portfolios, which seek to add value by:

- Providing specific exposure to portfolios to more inefficient asset classes such as small-cap or emerging markets
- Allowing great stock pickers to identify attractive companies
- Protecting portfolios in down markets

Important factors that we consider to help identify superior active managers include:

- An investment approach that is consistent and repeatable
- Reasonable expenses
- Mindfulness of the importance of maximizing pre-tax and after-tax performance
- Risk and return analysis
- Managers who invest their own money in the funds they manage
- Portfolio concentration – conviction, keeping risk in mind

### Fixed Income

Tarbox Family Office, Inc. includes bond and cash investments in client portfolios to provide stable cash flow. We participate across a full spectrum of fixed income assets, allowing us to invest where we find the

greatest potential value, i.e., corporates, agencies, municipals, etc. Individual fixed income portfolio construction involves:

- Controlling portfolio duration to protect from interest rate fluctuations
- Managing the impact of callable bonds
- Cash flow-liability matching, if appropriate
- Building of national and state-specific portfolios

The factors under consideration when constructing the fixed income portfolio include:

- Controlling costs by working with multiple bond sources and technology sources (i.e., Bloomberg) to obtain the highest bond yields
- Minimizing tax impact: Utilization of federal and state tax-free bonds for clients in higher tax brackets
- Asset location: Placement of tax-inefficient holding in tax-deferred accounts when possible

Investments in these assets may cause a client to miss upswings in the equity markets. A client can advise Tarbox Family Office, Inc. not to maintain (or to limit the amount of) cash or cash equivalent positions in their account.

### Alternatives

Tarbox Family Office, Inc. client portfolios have an allocation to alternatives, which are typically comprised of mutual funds. We feel that alternatives can potentially reduce portfolio risk and enhance returns because this asset class does not always move in sync with the stock or bond markets. These holdings may include:

- Single-strategy hedge funds
- Hedge fund-of-funds
- Long-short funds
- Arbitrage strategies
- Managed futures
- Value-added real estate partnerships
- Real estate investment trusts (“REITs”)
- Commodities
- Hedged mutual funds
- Private equity

## **MISCELLANEOUS**

### **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services**

We may provide services regarding non-investment related matters, such as: estate planning, tax planning, tax preparation, insurance consulting, etc. Tarbox Family Office, Inc. does not serve as a law firm, or insurance agency, and our services should be construed as legal services or insurance sales. Tarbox Family Office, Inc. does not prepare estate planning documents, or sell insurance products. Unless specifically agreed in writing, neither Tarbox Family Office, Inc. nor its representatives are responsible to implement any financial plans or financial planning advice; provide ongoing financial planning services; or provide ongoing monitoring of financial plans or financial planning advice. The client retains absolute discretion over all financial planning and related implementation decisions and is free to accept or reject any recommendation from Tarbox Family Office, Inc., and its representatives in that respect. Tarbox Family Office, Inc.’s financial planning and consulting services are completed upon communicating its

recommendations to the client, upon delivery of the written financial plan, or upon termination of the applicable agreement. Upon specific client request, Tarbox Family Office, Inc. may recommend other professionals to provide services (such as attorneys, accountants, and insurance agents). Clients are under no obligation to engage the services of any recommended professional, who are responsible for the quality and competency of the services they provide.

### **Independent Managers**

When consistent with investment objectives, Tarbox Family Office, Inc. may also recommend that certain clients authorize Tarbox Family Office, Inc. to allocate the active discretionary management of a portion of their assets among certain independent investment managers or platforms that Tarbox Family Office, Inc. selects to provide specialized investment services (the “Independent Managers”). Tarbox Family Office, Inc. considers the following factors before recommending allocations to Independent Managers: portfolio investment objectives, account management style, historical performance, reputation, financial strength, reporting, pricing, and research. The terms and conditions of the relationship are detailed in a separate agreement executed between the client and the Independent Manager. Tarbox Family Office, Inc. will monitor those accounts with a focus on client investment objectives, and asset allocation. Tarbox Family Office, Inc. may determine that the allocation to an Independent Manager is no longer appropriate and reallocate client investment assets elsewhere. The value of assets allocated to the Independent Managers is included in the calculation of the client’s investment advisory fee paid to Tarbox Family Office, Inc. as described in Item 5. The investment management fees charged by the designated Independent Managers are exclusive of, and in addition to, Tarbox Family Office, Inc.’s ongoing investment advisory fee. Fees charged by the Independent Managers (which may include fees collected by Tarbox Family Office that it remits to the Independent Managers) may be either in advance or arrears depending upon the specific Independent Manager relationship, which will be disclosed to the client at the point of entering into the Independent Manager relationship.

### **Unaffiliated Private Investment Funds**

Tarbox Family Office, Inc. may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Tarbox Family Office, Inc.’s role in this respect is limited to initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the funds are included in the calculation of Tarbox Family Office, Inc. investment advisory fee. Tarbox Family Office, Inc.’s clients are under absolutely no obligation to consider or make an investment in a private investment funds.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that they are qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

If Tarbox Family Office, Inc. bills an investment advisory fee based upon the value of private investment funds or otherwise references private investment funds owned by the client on any supplemental account reports prepared by Tarbox Family Office, Inc., the value for all private investment funds owned by the client will reflect the most recent valuation provided by the fund sponsor. The current value of any private investment fund could be significantly more or less than the original purchase price or the price reflected in any supplemental account report.

## **Retirement Plan Rollovers-No Obligation/Conflict of Interest**

A client or prospective client leaving an employer has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Tarbox Family Office, Inc. recommends that a client roll over their retirement plan assets into an account to be managed by Tarbox Family Office, Inc., such a recommendation creates a conflict of interest if Tarbox Family Office, Inc. will earn a new (or increase its current) advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Tarbox Family Office, Inc.

## **ERISA / IRC Fiduciary Acknowledgment**

When Tarbox Family Office, Inc. provides investment advice to a client about the client's retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. Because the way Tarbox Family Office, Inc. makes money creates some conflicts with client interests, Tarbox Family Office, Inc. operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's. Under this special rule's provisions, Tarbox Family Office, Inc. must: meet a professional standard of care when making investment recommendations (give prudent advice); never put its financial interests ahead of the client's when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures designed to ensure that Tarbox Family Office, Inc. gives advice that is in the client's best interest; charge no more than is reasonable for Tarbox Family Office, Inc.'s services; and give the client basic information about conflicts of interest.

## **Client Obligations**

When performing its services, Tarbox Family Office, Inc. is not required to verify any information received from the client or from the client's designated professionals and is expressly authorized to rely on that information. Clients are responsible to promptly notify Tarbox Family Office, Inc. if there is ever any change in their financial situation or investment objectives for the purpose of reviewing or amending Tarbox Family Office, Inc.'s services or previous recommendations.

## **Margin / Securities Based Loans**

Tarbox Family Office, Inc. does not recommend the use of margin for investment purposes. However, if a client determines to take a margin loan that collateralizes a portion of the assets that Tarbox Family Office, Inc. is managing, Tarbox Family Office, Inc.'s investment advisory fee will be computed based upon the full value of the assets, without deducting the amount of the margin loan. Without limiting the above, upon specific client request and generally in a financial planning context, Tarbox Family Office, Inc. may help clients evaluate and establish a margin or securities based loan ("SBL") with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access cash flow. Compared to real estate-backed loans, an SBL could provide access to funds in a shorter time, provide greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of SBLs should consult with an accountant or tax advisor. The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. SBLs are not suitable for all clients and are subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post



collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in SBL programs, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts.

If Tarbox Family Office, Inc. recommends that a client apply for a SBL instead of selling securities that Tarbox Family Office, Inc. manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would reduce the amount of assets to which Tarbox Family Office, Inc.'s investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by Tarbox Family Office, Inc.. Likewise, the same ongoing conflict of interest is present if a client determines to apply for a SBL on their own initiative. These ongoing conflicts of interest would persist as long as Tarbox Family Office, Inc. has an economic disincentive to recommend that the client terminate the use of SBLs. If the client were to invest any portion of the SBL proceeds in an account that Tarbox Family Office, Inc. manages, Tarbox Family Office, Inc. will receive an advisory fee on the invested amount, which could compound this conflict of interest. If a client accesses an SBL through its relationship with Tarbox Family Office, Inc. and the client's relationship with Tarbox Family Office, Inc. is terminated, clients may incur higher (retail) interest rates on the outstanding loan balance. Clients are not under any obligation to employ the use of SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Although Tarbox Family Office, Inc. seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement, and all risk disclosures provided by the SBL Lender as applicable and contact Tarbox Family Office, Inc.'s Chief Compliance Officer with any questions about the use of SBLs.

### **Third Party Reporting Services**

Tarbox Family Office, Inc. may provide access to reporting services through one or more third-party aggregation / reporting platforms that can reflect all of the client's investment assets, including those investment assets that the client has not engaged Tarbox Family Office, Inc. to manage (the "Excluded Assets"). Tarbox Family Office, Inc.'s service for the Excluded Assets is strictly limited to reporting, and specifically excludes investment management or implementation. Because Tarbox Family Office, Inc. does not have trading authority for the Excluded Assets, the client (and/or a designated investment professional), and not Tarbox Family Office, Inc., will be exclusively responsible for directly implementing any recommendations for the Excluded Assets and the resulting performance or related activity (such as timing and trade errors) pertaining to the Excluded Assets. The third-party aggregation / reporting platforms may also provide access to financial planning information and applications, which should not be construed as services, advice, or recommendations provided by Tarbox Family Office, Inc. Accordingly, Tarbox Family Office, Inc. will not agree to be responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the third party reporting platforms without Tarbox Family Office, Inc.'s participation or oversight.

### **Portfolio Trading Activity and Inactivity**

As part of its investment advisory services, Tarbox Family Office, Inc. will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods when Tarbox Family Office, Inc. determines that upon review, trades



within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

### **Cybersecurity Risk**

The information technology systems and networks that Tarbox Family Office, Inc. and its third-party service providers use to provide services to Tarbox Family Office, Inc.'s clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Tarbox Family Office, Inc.'s operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Tarbox Family Office, Inc. are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost, and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Tarbox Family Office, Inc. has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Tarbox Family Office, Inc. does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

### **C. Advisory Services Tailored to Individual Clients**

Tarbox Family Office, Inc.'s goal is not to beat a particular index – it is to meet or exceed our clients' specific required or targeted rate of return. No two clients have the same situation, so no two clients have the same investment portfolio. In all cases, the firm's clients appreciate the focus and attention given to their unique situation.

We work with the client to establish a unique Investment Policy Statement ("IPS"), the purpose of which is to agree on a set of general parameters and select an allocation to one of Tarbox Family Office, Inc.'s four model strategies: Stable Growth, Conservative Growth, Moderate Growth and Growth. The appropriate model strategy is based on the appropriate target volatility/return portfolio, given the client's risk tolerance. Once the strategy is selected, Tarbox Family Office, Inc. individually manages each client portfolio in conformity with the IPS.

To build a client customized portfolio, we use the following investment process:

- For individuals and families, we start with a review of the client's current investments, tax situation, income needs, family dynamics, and short- and long-term goals.
- For foundations and endowments, we review the entity's current policy and investment profile in relation to its spending needs.

This provides a risk/reward profile that leads toward the selection of a targeted asset allocation. The client may, at any time, impose reasonable restrictions, in writing, on Tarbox Family Office, Inc.'s services.

### **D. Wrap-Fee Programs**

Tarbox Family Office, Inc. does not participate in a wrap fee program.

## **E. Assets Under Management**

As of December 31, 2023, Tarbox Family Office, Inc. had \$873,623,926 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

### **A. Compensation; Fee schedule**

Tarbox Family Office, Inc. offers its services on a fee-only basis, which may include hourly or fixed fees, as well as fees based upon assets under management. As client objectives, security types, account management, and reporting complexity all impact Tarbox Family Office, Inc.'s management costs, the minimum account size and rate schedule are negotiable under special circumstances.

### **Investment Advisory Services**

Tarbox Family Office, Inc.'s annual investment advisory fee varies (from 0.20% up to 1.00% of the total assets under management), which is based upon various objective and subjective factors, such as the amount of the assets under management and/or advisement, the complexity of the engagement, and the level and scope of the overall investment advisory services to be provided. As a result, similarly situated clients could pay diverse fees. Unless Tarbox Family Office, Inc. expressly agrees otherwise in writing, account assets consisting of cash and cash equivalent positions are included in the value of an account's assets for purposes of calculating Tarbox Family Office, Inc.'s advisory fee.

### **Financial Planning, Tax Preparation and Consulting Services (Stand-Alone)**

Tarbox Family Office, Inc. may provide financial planning, tax preparation and/or consulting services (including investment and non-investment related matters, estate planning, insurance planning, etc.) on a stand-alone separate fee basis. The negotiable fees for these services generally range from \$5,000 to \$20,000 on a fixed-fee basis, or between \$175.00 to \$600.00 per hour on an hourly rate basis, depending upon the level and scope of the services required and the professionals rendering those services. Before engaging Tarbox Family Office, Inc. to provide these services, clients are generally required to enter into a Financial Planning and Consulting Agreement and/or Tax Preparation Agreement that: sets forth the terms and conditions of the engagement (including termination); describes the scope of the services to be provided; and describes the portion of the fee that is due from the client prior to Tarbox Family Office, Inc. commences services.

### **B. Fee Payment Method**

Investment advisory fees are billed in arrears and payable each quarter. The fee is based on the market value of the account on the last business day of the previous quarter. Although the majority of Tarbox Family Office, Inc.'s clients may have their fees deducted from their accounts, clients may choose to be billed directly.

### **C. Other Types of Fees/Expenses**

Management fees paid to Tarbox Family Office, Inc. are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other parties. These charges could include custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees, electronic fund fees, and other

fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Tarbox Family Office, Inc. does not receive any portion of these commissions, fees, or costs, and strives to negotiate and minimize such expense wherever possible. The fees charged by the applicable broker-dealer/custodian, and the charges imposed at the mutual fund and exchange traded fund level, and the fees incurred with respect to the client's engagement of Independent Managers described above are in addition to Tarbox Family Office, Inc.'s investment advisory fees referenced in this Item 5. Please refer to Section 12 – Brokerage Practices for a more detailed discussion of brokerage practices.

#### **D. Fees in advance**

Investment advisory fees are billed in arrears and payable each quarter. Upon termination of applicable form of agreement, Tarbox Family Office, Inc. will debit the account or bill the client (as applicable) for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing quarter.

#### **E. Additional Compensation**

Neither Tarbox Family Office, Inc., nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither Tarbox Family Office, Inc. nor any supervised person of Tarbox Family Office, Inc. accepts performance-based fees.

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

Tarbox Family Office, Inc. currently provides advisory services to the following types of clients:

- High net worth individuals
- Charitable Organizations
- Business entities
- Trusts & Estates

Tarbox Family Office, Inc. generally seeks to work with clients having initial minimum account assets of \$5 million for combined planning and investment management services. Tarbox Family Office, Inc. may reduce or waive this general requirement based upon certain criteria such as: anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, and negotiations with client.

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

A. Tarbox Family Office, Inc. may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Tarbox Family Office, Inc. may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

We focus on the “big picture” decisions that seek to maximize the likelihood that investment returns will meet client objectives. Our investment philosophy encompasses what we feel are the top three most important factors in designing a portfolio:

- Strategic asset allocation: This is the most significant component affecting portfolio returns.
- Diversification: It is essential to diversify among asset classes, investment styles and holdings to reduce risk.
- Costs: Keeping expenses and taxes to a minimum has a tremendous effect on long-term returns.

Tarbox Family Office, Inc.’s investment philosophy is centered on the assumption that the most securities markets are generally efficient. The firm does not engage in individual stock picking, believing that a well-diversified portfolio will outperform an actively managed portfolio over most full market cycles. The firm also does not engage in market timing, maintaining client allocations throughout market cycles.

Investment Risk in General. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Tarbox Family Office, Inc.) will be profitable or equal any specific performance level. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease, and client account values could suffer a loss.

- B. Tarbox Family Office, Inc.’s methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Tarbox Family Office, Inc. must have access to current/new market information. Tarbox Family Office, Inc. has no control over market information, and unknowingly may make decisions with outdated market information, limiting the value of the analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Tarbox Family Office, Inc.’s primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment

strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, Tarbox Family Office, Inc. primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, and/or mutual funds and Exchange Traded Funds (ETFs) on a discretionary basis in accordance with the client's designated investment objectives. When consistent with a client's investment objectives, Tarbox Family Office, Inc. may also recommend that clients allocate investment assets to unaffiliated private investment funds. Please refer to Item 4, above, with respect to the additional considerations and risk factors involved in those strategies.

## **Item 9            Disciplinary Information**

Tarbox Family Office, Inc. has not been the subject of any disciplinary actions.

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

- A. Neither Tarbox Family Office, Inc., nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Tarbox Family Office, Inc., nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Tarbox Family Office, Inc. and its management persons do not have any relationship or arrangement that is material to its advisory business or to its clients with any related person required to be disclosed in this Item 10.C.
- D. Tarbox Family Office, Inc. does not recommend or select other investment advisors for its clients.

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

- A. Tarbox Family Office, Inc. maintains an investment policy relative to personal securities transactions. This investment policy is part of Tarbox Family Office, Inc.'s overall Code of Ethics, which serves to establish a standard of business conduct for all of its Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Tarbox Family Office, Inc. also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Tarbox Family Office, Inc. or any person associated with Tarbox Family Office, Inc.

- B. Neither Tarbox Family Office, Inc. nor any related person recommends, buys, or sells for client accounts, securities in which Tarbox Family Office, Inc. or any related person of Tarbox Family Office, Inc. has a material financial interest.
- C. Tarbox Family Office, Inc. and its representatives may buy or sell securities that are also recommended to clients. This practice may create a situation where Tarbox Family Office, Inc. and its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Tarbox Family Office, Inc. did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Tarbox Family Office, Inc.’s clients) and other potentially abusive practices.

Tarbox Family Office, Inc. has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Tarbox Family Office, Inc.’s “Access Persons.” Tarbox Family Office, Inc.’s securities transaction policy requires that Access Person of Tarbox Family Office, Inc. must provide the Chief Compliance Officer or their designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or their designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Tarbox Family Office, Inc. selects; provided, however that at any time that Tarbox Family Office, Inc. has only one Access Person, he or she will not be required to submit any securities report described above.

- D. Tarbox Family Office, Inc. and its representatives may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Tarbox Family Office, Inc. and its representatives could be in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Tarbox Family Office, Inc. has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Tarbox Family Office, Inc.’s Access Persons.

## **Item 12 Brokerage Practices**

- A. If a client requests that Tarbox Family Office, Inc. recommend a broker-dealer/custodian for execution or custodial services, Tarbox Family Office, Inc. generally recommends that investment management accounts be maintained with Charles Schwab & Company, member FINRA/SIPC and its affiliates (“Schwab”). Before engaging Tarbox Family Office, Inc. to provide investment management services, the client enters into an agreement with Tarbox Family Office, Inc. setting forth the terms and conditions for the management of the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Depending on which broker-dealer/custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds, and other aspects of investing that could cause differences in account performance.

When seeking “best execution,” from a broker-dealer, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution when considering the full range of a broker-dealer’s services including the value of research provided,



execution capability, commission rates, and responsiveness. Although Tarbox Family Office, Inc. cannot guarantee that clients will always experience the best possible execution available, Tarbox Family Office, Inc. seeks to recommend a broker-dealer/custodian that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. Tarbox Family Office, Inc. considers a wide range of factors when recommending a broker-dealer/custodian, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for client accounts);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.);
- Quality of services (including research);
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, and stability; and
- Prior service to Tarbox Family Office, Inc., and its other clients.

Schwab is compensated for its services according to its fee schedule, generally by charging clients commissions or other fees on trades that it executes or that settle into their Schwab account. Although Tarbox Family Office, Inc. will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for all client account transactions. The fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Tarbox Family Office, Inc.'s investment advisory fees. Schwab may charge clients a flat dollar amount as a "prime broker" or "trade-away" fee for each trade that Tarbox Family Office, Inc. executes by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited or settled into the client's Schwab account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Therefore, in an attempt to minimize client trading costs, Tarbox Family Office, Inc. directs Schwab to execute most if not all trades for client accounts. When doing so, Tarbox Family Office, Inc. has determined that having Schwab execute most trades is consistent with the duty to seek "best execution" of client trades.

### **Research and Other Benefits**

While Tarbox Family Office, Inc. does not receive traditional "soft dollar benefits," Tarbox Family Office, Inc. and by extension, its clients, receive access to certain institutional brokerage services many of which are not typically available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Tarbox Family Office, Inc. participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Tarbox Family Office, Inc. by third party vendors.

Schwab may also have paid for business consulting and professional services received by Tarbox Family Office, Inc.'s related persons. Some of the products and services made available by Schwab



through the program may benefit Tarbox Family Office, Inc. but may not directly benefit its client accounts. These products or services may assist Tarbox Family Office, Inc. in managing and administering client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help Tarbox Family Office, Inc. manage and further develop its business enterprise. The benefits received by Tarbox Family Office, Inc., or its personnel through participation in the program do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, Tarbox Family Office, Inc. endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Tarbox Family Office, Inc., or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Tarbox Family Office, Inc.'s choice of Schwab for custody and brokerage services.

### **No Referrals from Broker-Dealers**

Tarbox Family Office, Inc. does not receive referrals from broker-dealers.

### **Directed Brokerage**

Tarbox Family Office, Inc. does not generally accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Tarbox Family Office, Inc. will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Tarbox Family Office, Inc. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs Tarbox Family Office, Inc. to execute securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to execute account transactions through alternative clearing arrangements that may be available through Tarbox Family Office, Inc. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed after transactions for non-directed accounts.

- B. Tarbox Family Office, Inc. will generally execute account transactions for each client independently unless Tarbox Family Office, Inc. decides to purchase or sell the same securities for several clients at approximately the same time. Tarbox Family Office, Inc. may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates, or to equitably allocate differences in prices and commissions or other transaction costs among Tarbox Family Office, Inc.'s clients, which might have been obtained if the orders were placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Tarbox Family Office, Inc. will not receive any additional compensation as a result.

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

- A. For those clients to whom Tarbox Family Office, Inc. provides investment supervisory services, account reviews are conducted on an ongoing basis by Tarbox Family Office, Inc.'s Principals and/or representatives.

Tarbox Family Office, Inc. maintains a disciplined, ongoing approach towards portfolio reviews to:

- Rebalance the portfolios through time to the target asset class allocations set forth in each client's Investment Policy Statement.
  - Rebalancing is implemented on an "as-needed" basis and not on any periodic schedule.
  - Realize tax losses ("tax loss harvesting").
  - Identify bonds maturing or being redeemed early so the proceeds can be efficiently and timely reinvested.
  - Identify new funds deposited or assets transferred into the account for effective investment and allocation.
  - Review and accommodate client's cash needs (in case cash is needed for the client to withdraw on a scheduled, periodic, or one-time basis).
  - Implement decisions made by Tarbox Family Office, Inc.'s Investment Committee to change portfolio composition.
  - Accommodate client-directed modifications.
- B. Tarbox Family Office, Inc. may conduct account reviews on a non-periodic basis upon a triggering event, such as a change in client investment objectives and/or financial situation, market events, or specific client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Tarbox Family Office, Inc. may also provide a written periodic report summarizing account activity and performance. Tarbox Family Office, Inc.'s statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

- A. Tarbox Family Office, Inc. does not accept referral fees from other professionals when a client is referred to another firm.

Tarbox Family Office, Inc.:

- Does not charge any markup on any securities purchased or sold for clients.
- Does not receive any compensation based on the securities used in the portfolios managed.
- Does not receive commissions of any kind from trades executed for its clients.

Custodians / broker-dealers (see Item 12: Brokerage Practices) and mutual fund companies may also make available to Tarbox Family Office, Inc. other products and services that may directly benefit Tarbox Family Office, Inc. These services may include (i) compliance, legal and business consulting; (ii) publications and conferences on practice management; and (iii) educational or business events. Tarbox Family Office, Inc. strives to avoid having such economic benefits impact either the selection of investments or its recommendation for custodial relationships.

As referenced in Item 12.A above, Tarbox Family Office, Inc. receives economic benefits from Charles Schwab & Company (“Schwab”) including support services and/or products without cost (and/or at a discount). Tarbox Family Office, Inc.’s clients do not pay more for investment transactions executed and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Tarbox Family Office, Inc. to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

- B. Neither Tarbox Family Office, Inc. nor related persons of Tarbox Family Office, Inc. compensate non-supervised persons for client referrals.

## **Item 15 Custody**

Tarbox Family Office, Inc. will have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Tarbox Family Office, Inc. may also provide a written periodic report summarizing account activity and performance. To the extent that Tarbox Family Office, Inc. provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Tarbox Family Office, Inc. with the account statements received from the account custodian. Tarbox Family Office, Inc.’s statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The account custodian does not verify the accuracy of Tarbox Family Office, Inc.’s advisory fee calculation.

Tarbox Family Office, Inc. engages in other practices on behalf of its clients, which requires disclosure at ADV Part 1, Item 9, with affected accounts being subjected to an annual surprise examination conducted by an independent public accountant in conformity with Rule 206(4)-2.

## **Item 16 Investment Discretion**

The client can determine to engage Tarbox Family Office, Inc. to provide investment advisory services on a discretionary basis. Prior to Tarbox Family Office, Inc. assuming discretionary authority over a client’s account, client will be required to execute Investment Advisory Agreement, naming Tarbox Family Office, Inc. as client’s attorney and agent in fact, granting Tarbox Family Office, Inc. full authority to buy, sell, or otherwise execute investment transactions involving the assets in the client’s name found in the discretionary account.

Clients who engage Tarbox Family Office, Inc. on a discretionary basis may, at any time, impose restrictions, in writing, on Tarbox Family Office, Inc.’s discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Tarbox Family Office, Inc.’s use of margin, etc.).

**Item 17            Voting Client Securities**

Unless the client directs otherwise in writing, Tarbox Family Office, Inc. is responsible for voting client proxies. However, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits. Tarbox Family Office, Inc. shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Tarbox Family Office, Inc. shall monitor corporate actions of individual issuers and investment companies consistent with Tarbox Family Office, Inc.'s fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Tarbox Family Office, Inc. will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, Tarbox Family Office, Inc. may be solicited to vote on matters including corporate governance, adoption, or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Tarbox Family Office, Inc. may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Tarbox Family Office, Inc. shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Tarbox Family Office, Inc. voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Tarbox Family Office, Inc.'s Chief Compliance Officer, Mary Sigler.

**Item 18            Financial Information**

- A. Tarbox Family Office, Inc. does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Tarbox Family Office, Inc. is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Tarbox Family Office, Inc. has not been the subject of a bankruptcy petition.

Tarbox Family Office, Inc.'s Chief Compliance Officer, Mary Sigler, is available to discuss any questions about this Brochure, any conflicts of interest presented, or any questions about Tarbox Family Office, Inc.'s services.