

PARADIGM CAPITAL MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of Paradigm Capital Management, LLC. Under federal and state law, Paradigm Capital Management, LLC ("Paradigm") is a fiduciary to our clients. If you have any questions about the contents of this brochure, please contact us by telephone at (775) 829-8787.

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 Paradigm Capital Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You may find other firms with similar names as ours on the website. However, there is no affiliation between our firm and any of these firms with a similar name. Paradigm Capital Management, LLC is a separate and independent firm.

Please note that the use of the term "registered investment adviser" and description of Paradigm Capital Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for more information on the qualifications of our firm and employees.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment, dated February 24, 2023, we have made no material changes to this report.

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Item 4 Advisory Business

Paradigm Capital Management, LLC ("PCM") specializes in Investment Management services. The firm is a Limited Liability Company formed in the State of Nevada. PCM has been in business as an investment adviser since 1996. The firm is owned by Bruce and Mary Harvey.

The following paragraphs describe our services and fees. As used in this brochure, the words "we," "our," and "us" refer to Paradigm Capital Management LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

This Brochure discloses potential conflicts of interest associated with investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished by knowing our client and working with them to understand their investment objectives, risk tolerance, and time horizon.

Investment Management Services

We provide individualized investment management services to individuals and high net worth individuals, small businesses, trusts & estates and charitable accounts. We employ continuous security supervision. We customize client accounts using various investment instruments including exchange traded funds ("ETFs") and individual stocks to build portfolios. From time to time, we may recommend individual bonds, mutual funds, and other public investments if client specific circumstances warrant.

Each client can place reasonable restrictions on the types of investments to be held in their portfolio at any time by informing us of those restrictions. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account since we cannot control what investments ETFs and mutual funds may own.

All advisory accounts are managed on a discretionary basis in separate client accounts. The firm emphasizes a patient disciplined approach to investments and risk management. If you participate in our portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities and the amount of shares to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm as well as other new account forms.

All investment decisions are made within the firm based on our analysis of each specific investment. Our investment strategy is based primarily on fundamental and statistical analysis. We spend considerable time researching and analyzing each investment in an attempt to minimize risk. This enables us to take more concentrated positions in industries or companies that we have determined have good potential return.

Participation in Wrap Fee Programs

Our firm does not offer or participate in any wrap fee programs.

Types of Investments

We offer advice on equity securities, mutual funds, ETFs, and fixed income investments.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

IRA Rollover Recommendation

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

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

Regulatory Assets Under Management

As of December 31, 2023, we provide continuous management services for \$142,247,390 in client assets on a discretionary basis.

Item 5 Advisory Fees

How We Are Compensated for Our Investment Management Services

As a fee-only adviser we do not participate in any commission products. The fee assessed on an account is outlined in the Investment Management Agreement. Our fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of the account on the last day of the quarter.

Account Value	Fee Schedule
0 - \$1MM	.85% Annually
\$1MM - \$4.99MM	.75% Annually
\$5MM and above	Negotiable

Although Paradigm has established the fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, and account composition, among other factors. The specific annual fee schedule is identified in the contract between Paradigm and each client.

Fees will be deducted from the managed account. As part of this process, clients understand and acknowledge the following:

- a. The independent custodian sends statements, at least quarterly, showing the market values for each security included in the portfolio and all disbursements in the account including the amount of the advisory fees paid to us.
- b. The client provides authorization permitting us to be paid directly under these terms.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

You may terminate the portfolio management agreement upon written notice to the us. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

The types of clients we serve include:

- Individuals and High Net Worth Individuals
- Small Businesses
- Trusts & Estates and Charitable Accounts

Our firm's minimum requirement for opening an account with us is \$500,000 in total household assets. Exceptions may be made on a case-by-case basis at the sole discretion of the firm's management.

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

The following methods of analysis and investment strategies may be utilized in managing client assets and formulating our investment advice consistent with the client's investment objectives, time horizon, and risk tolerance, as well as other considerations. The methods all rely on data that is believed to be reliable and unbiased as well as assumptions believed to be reasonable.

Methods of Analysis

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Qualitative Analysis: For individual equities we subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgement may prove incorrect.

Asset Allocation: In addition to securities selection, we attempt to identify an appropriate ratio of equities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in increases in a particular investment industry or market sector. Another risk is that the ratio of equities, fixed income, and cash equivalents will change over time due market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF to determine if that manager or team has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We look at the underlying assets in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. We do not control the underlying investments in a fund or ETF. Managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Long-term purchases: In utilizing this strategy, we purchase securities with the idea of holding them for a relatively extended period of time (typically a year or longer). We employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline in value before we make the decision to sell.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Equity Securities: Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. There may be little trading in the secondary market for particular equity securities, which may adversely affect our firm's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities. Investing in smaller companies may pose additional risks as it is often more difficult to dispose of small company stocks,

more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and be able to tolerate potentially sharp declines in value.

Exchange Traded Funds ("ETFs"): An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they can be bought and sold on a stock exchange throughout the trading day. ETFs trade like stocks, so investors can place orders just like an individual stock. They can also be sold short. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. Arbitrageurs, however, will ensure that ETF prices are kept close to the NAV of the underlying securities. One of the primary features of ETFs is their low annual fees, especially when compared to traditional mutual funds. The passive nature of index investing, reduced marketing, and distribution and accounting expenses all contribute to the lower fees.

Fixed Income: Fixed income is a type of investing in which real return rates or periodic income is received at regular intervals and at reasonably predictable levels. Fixed income investors rely on fixed income investments to provide a regular, stable income stream. Fixed income investors face the risk of inflation eroding their spending power. A primary risk associated with fixed income investments is the borrower defaulting on payments. Other considerations include exchange rate risk for international bonds and interest rate risk for long-dated securities. The most common type of fixed income security is a bond. Bonds are issued by federal governments, major corporations, and local municipalities. Fixed income securities are recommended for investors seeking a diverse portfolio.

Risk of Loss

Investing in securities involves risk of loss that clients should be aware of and prepared to bear. There is no guarantee that any investment strategy will achieve its objective. We constantly keep this in mind and do our best to minimize the risk where possible and communicate this to our clients.

Management Risk: The ability of the strategy to meet investment objectives is related to the Adviser's investment management of the strategy. The value of your investment in the strategy may vary with the effectiveness of the Adviser's research, analysis, and asset allocation among portfolio securities. If the Adviser's investment strategies do not produce the expected results, your investment could be diminished or even lost.

Financial Risk: Financial risk is the possibility that shareholders will lose money when they invest in a company due to internal disruptions such as too much debt or a company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing its creditors are repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.

Capital Risk: Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100% of your money. All investments carry some form of risk. An investor takes on capital risk each time they invest in any investment instrument.

Company Risk: There is always a certain level of company or industry specific risk that is inherent in each stock investment. This is also referred to as non-systematic risk which can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

Economic Risk: The economic environment is important to the health of all businesses. Cyclical companies are more sensitive to changes in the domestic or global economy than other businesses. If an investment is issued by a company located in a country that experiences wide swings from an economic standpoint the investment instrument will generally be subject to a higher level of economic risk.

Inflation Risk: Inflation risk is the chance that the cash flows from an investment will not be worth as much in the future because of changes in purchasing power due to inflation. Over time, the prices of resources and end-user products generally increase and therefore, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the cash flow from that investment will be worth less in the future than what they are today.

Legal/Regulatory Risk: Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of certain investments thereby having a negative impact on the overall performance of such investments.

ETF & Mutual Fund Risk: The risk of owning an ETF or mutual fund generally reflects the risks of the underlying securities the ETF or mutual fund holds. The risk of owning an ETF or mutual fund can result in an overlap of certain holdings. Investing in an ETF or mutual fund will mean the investor will bear additional expenses based on the ETF's or mutual fund's operating expenses, including the potential duplication of management fees.

Fixed Income Securities Risk: Fixed income is generally considered to be a more conservative investment than stocks, but bonds and other fixed income investments still carry a variety of risks that investors need to be aware of. Typically, the values of fixed-income securities change inversely with prevailing interest rates. Diversification can be a safe way to minimize many of the risks inherent in fixed income investing. A fundamental risk of fixed-income securities is interest rate risk, which is the risk that their value will generally decline as interest rates rise, which may cause your account value to decrease, and vice versa. Fixed-income securities are also subject to credit risk, prepayment risk, valuation risk, and liquidity risk. Credit risk is the chance that a bond issuer will fail to pay interest and principal in a timely manner.

Market Risk: The market value of a security may move up or down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry, sector of the economy or the market as a whole. The fixed income markets can experience substantially lower valuations, reduced liquidity, price volatility, credit downgrades, and increased likelihood of default and valuation difficulties. Equity and fixed income markets are now global in nature. Therefore, international concerns can affect domestic security prices. This can happen despite little or no apparent degradation in the financial conditions or prospects of that company. Exogenous events may have adverse effects on the strategies.

Non-Diversification Risk: The strategy may invest a substantial percentage of its assets in securities issued by a small number of companies. As a result, performance may depend on the returns of a small number of issuers.

Growth Securities Risk: Securities of companies perceived to be "growth" companies may be more volatile than other stocks. The price of a "growth" security may be impacted if the company does not realize its anticipated potential or there is a shift in the market to favor other types of securities.

Liquidity Risk: Liquidity risk is the risk that a company or bank may be unable to meet short term financial demands. Certain types of assets may not be readily converted into cash or may have a limited market in which they trade. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

Item 9 Disciplinary Information

PCM has no legal or disciplinary actions to report that are material to the evaluation of our advisory business or integrity of the management.

Item 10 Other Financial Industry Activities and Affiliations

Our firm has no other financial industry activities and affiliations to disclose.

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

As a fiduciary, it is our responsibility to provide fair and full disclosure of all material facts and to act solely in your best interest at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction, insider trading, confidentiality of client information, restrictions on the acceptance of significant gifts, and outside business activities. Our firm requires all employees to conduct business with the highest level of ethical standards of business and comply with all state and federal security laws. Upon employment with our firm, and at least annually thereafter, all representatives of our firm must acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. Our firm will provide a copy of our Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

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

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Aggregated Trading

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

Item 12 Brokerage Practices

We use the brokerage and custodial services of Schwab Advisory Services of Charles Schwab & Co., Inc. ("Schwab"), whereby they provide our firm "institutional platform services" generally not available to retail investors. Our firm is independently owned and operated and not affiliated with Schwab. Schwab's institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (e.g. trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. No member or any employee of the firm receives any compensation for using Schwab.

Our selection of a broker dealer and custodian is based on many factors, including the level of services provided, the financial stability, and the cost of services provided to our clients, which includes the yield on cash sweep choices, commissions, custody fees and other fees or expenses.

We seek to use a broker dealer that will execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We require that our clients execute transactions through Charles Schwab & Co., Inc. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services.

Aggregated Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Each participating account pays an average price per share for all transactions. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts.

Trade Errors

From time to time, our firm may experience a trade error caused by our firm or an executing broker. In the event that a trade error occurs, we will ensure that a client account is "made whole." Trades are adjusted as required to put the client in a position as if the error had never occurred at "no cost" to the client. Our firm will not use future brokerage to compensate a broker either directly or indirectly for absorbing the cost of correcting an error in an earlier transaction.

Item 13 Review of Accounts

Reviews: The underlying securities within individual accounts are monitored continuously and accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, significant flow of funds, market or economic events, or client requests. All clients are encouraged to meet for an annual review. We ask our clients that do not wish to meet annually to keep us informed of any changes in their financial goals, status, or other factors that might impact the way their portfolio(s) are being managed.

Reports: In addition to the quarterly statements and confirmations of transactions that clients receive from their custodian, our firm will provide each client with a quarterly report summarizing their account as well as a written letter discussing important portfolio or market activity.

Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Charles Schwab Advisor Services

Except for the arrangements outline in Item 12 of this brochure, we have no additional arrangements and do not pay for client referrals.

Item 15 Custody

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with your qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Our firm receives discretionary authority to manage securities accounts on behalf of clients pursuant to an executed investment advisory agreement. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. When selecting securities and determining amounts, our firm observes the investment objectives, limitations, and restrictions of the clients for which it advises.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

We are not required to provide financial information in this Brochure because:

- Our firm does not take custody of our client funds or securities
- We do not require prepayment of more than \$1,200 in fees per client for six or more months in advance. Our clients are billed in arrears.
- There are no, and have never been, any adverse conditions related to the Firm's finances or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Neither the firm nor its registered representatives have ever been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.

3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 73.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative at the number listed on the cover page of this brochure.