

**SAWYER FALDUTO**  
ASSET MANAGEMENT, LLC

**Item 1      Cover Page**

**Sawyer Falduto Asset Management, LLC**  
SEC File Number: 801 – 68317

**Form ADV Part 2A, Appendix 1**  
**Wrap Fee Program Brochure**  
**Dated: March 27, 2024**

Contact: Thomas Sawyer, Chief Compliance Officer  
589 S. York Street  
Elmhurst, Illinois 60126  
[www.sawyerfalduto.com](http://www.sawyerfalduto.com)

**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Sawyer Falduto Asset Management, LLC (the "Registrant"). If you have any questions about the contents of this Wrap Fee Program Brochure, please contact us at (630) 941-8560 or [tsawyer@sawyerfalduto.com](mailto:tsawyer@sawyerfalduto.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 Sawyer Falduto Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Sawyer Falduto Asset Management, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2      Material Changes**

There have been no material changes made to this Form ADV Part 2A, Firm Brochure since the March 29, 2023 annual amendment filing.

**Sawyer Falduto Asset Management, LLC's Chief Compliance Officer, Thomas Sawyer, remains available to address any questions that a client or prospective client may have about this Brochure.**

## **Item 3      Table of Contents**

Item 1	Cover Page .....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents .....	2
Item 4	Services, Fees and Compensation .....	3
Item 5	Account Requirements and Types of Clients.....	6
Item 6	Portfolio Manager Selection and Evaluation.....	6
Item 7	Client Information Provided to Portfolio Managers .....	8
Item 8	Client Contact with Portfolio Managers .....	8
Item 9	Additional Information .....	8

## **Item 4      Services, Fees and Compensation**

### **A. INVESTMENT ADVISORY SERVICES - SAWYER FALDUTO WRAP PROGRAM**

The Registrant provides investment management services on a wrap fee basis in accordance with the Registrant's wrap fee program (the "Program"). Under the Program, the Registrant offers discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution (excluding mark-ups and mark-downs), custody, reporting, and investment management fees. The services included in a wrap fee agreement will depend upon each client's particular need. All prospective Program participants should read both the Registrant's Brochure and the Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program.

Before Registrant provides investment management services, an investment adviser representative will work with each client to determine their investment objectives. Thereafter, Registrant will allocate investment assets consistent with the designated investment objectives. Once allocated, Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to a client's investment objectives and may rebalance the account based on these reviews.

The current annual Program fee varies depending upon the market value of assets under management, which depends on the level and scope of the overall investment advisory services rendered but does not exceed 0.80%.

Sawyer Falduto may charge a flat retainer fee for certain pension fund clients. Such fee is generally negotiable but will not exceed \$1,000 per month.

However, fees vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs of a client, related accounts, future earning capacity, anticipated future additional assets, account composition, and negotiations with the client. As a result, similar clients could pay different fees, and higher fees will correspondingly impact a client's net account performance. Moreover, the services provided by the Registrant to any particular client could be available from other advisers at a lower cost. Registrant's Chief Compliance Officer, Thomas Sawyer, remains available to address any questions that a client or prospective client may have regarding the above fee disparity, impact on account performance, and conflict of interest.

The Registrant generally does not require an annual minimum fee. The Registrant, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The Program fee is not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Clients will be charged in arrears at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. The Registrant charges an additional fee for the current quarter if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter. No portion of the fee will be credited to the client for the current calendar quarter should any withdrawals from the portfolio occur.

Under the Program, the Registrant shall be provided with written authority to determine which securities and the amounts of securities that are bought or sold. The initial limitations on this discretionary authority shall be included in the written agreement between each client and the Registrant. Clients may change or amend these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant's investment professionals to discuss their account.

Charles Schwab & Co., an SEC-registered and FINRA/SIPC member broker-dealer/custodian ("Schwab") shall serve as the custodian for Program accounts.

**Termination of Advisory Relationship.** The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.

## **MISCELLANEOUS**

**Client Obligations.** Registrant shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations or services.

**Investment Performance.** As a condition to participating in the Program, the participant must accept that 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 Registrant) will be profitable or equal any specific performance level(s).

### **Use of No Transaction Fee ("NTF")**

The purchase or sale of transaction-fee ("TF") funds available for investment through Sawyer Falduto will result in the assessment of transaction charges to your IAR or Sawyer Falduto. Although no-transaction-fee ("NTF") funds do not assess transaction charges, most NTF funds have higher internal expenses than funds that do not participate in an NTF program. These higher internal fund expenses are assessed to investors who purchase or hold NTF funds. Depending upon the frequency of trading and hold periods, NTF funds may cost you more, or may cost Sawyer Falduto or your IAR less, than mutual funds that assess transaction charges but have lower internal expenses. In addition, the higher internal expenses charged to clients who hold NTF funds will adversely affect the long-term performance of their

accounts when compared to share classes of the same fund that assess lower internal expenses. It is important to note that Sawyer Falduto will only purchase NTF funds when no other share class is available for purchase. The administrative fees charged for each NTF fund trade is the same as the administrative fees for all other funds. For those advisory programs that assess transaction charges to clients, to Sawyer Falduto, or the IAR, a conflict of interest exists because Sawyer Falduto and your IAR have a financial incentive to recommend or select NTF funds that do not assess transaction charges but cost you more in internal expenses than funds that do assess transaction charges but cost you less in internal expenses.

- B.** Participation in the Program may cost more or less than purchasing such services separately. Also, the Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

The Registrant receives the balance of the wrap fee after all other costs incorporated into the wrap fee have been applied or deducted. Participation in a wrap program may cost the client more or less than purchasing such services separately. Because the Registrant is responsible for payment of certain wrap program transaction fees and commissions to the account broker-dealer/custodian, the Registrant has an economic incentive to minimize the number of trades in the client's account. The Registrant maintains internal processes designed to review trading activity within client's accounts in an effort to mitigate this conflict of interest. Registrant's Chief Compliance Officer, Thomas Sawyer, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest a wrap fee arrangement creates.

- C.** The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to: transfer taxes, odd lot differentials, exchange fees, interest charges, American Depositary Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law. In addition, clients remain responsible for the payment of mark-ups and mark-downs for fixed income transactions. These expenses are charged by the Program's custodian and not the Registrant. Such fees and expenses are in addition to the Program's wrap fee. In addition to Registrant's investment fees, all mutual fund and exchange traded funds incur separate fees and expenses, which are borne by their shareholders. Clients will be indirectly responsible for the payment of these fees and expense, which include management fees.

**Tradeaway/Prime Broker Fees.** Relative to its discretionary investment management services, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee charged by the executing broker-dealer (commission or mark-up/mark-down) and a separate "tradeaway" or prime broker fee charged by the account custodian. However, the Registrant will pay the "tradeaway" or prime broker fee charged by the account custodian. This presents a conflict of interest as the Registrant has an incentive to purchase and sell securities through the account's broker-dealer, even if better prices are available elsewhere. The Registrant maintains policies and procedures relating to "best execution" that seek to minimize this conflict of interest. In addition, the Registrant discloses this conflict of interest to clients so that they can make an informed decision about maintaining a relationship with the Registrant.

- D.** Registrant's related persons who recommend the Program to clients do not receive compensation because of a client's participation in the wrap fee program.

## **Item 5 Account Requirements and Types of Clients**

The Registrant's clients shall generally include individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, state or municipal government entities, and trade groups.

## **Item 6 Portfolio Manager Selection and Evaluation**

- A.** The Registrant is the only portfolio manager for Program accounts.
- B.** The Registrant acts as the sole portfolio manager for the Program. Therefore, there are no conflicts of interest relating to the selection of other portfolio managers for the Program.
- C.** As discussed above, the Registrant only offers the Program to clients. The Registrant **does not** hold itself out as providing financial planning, estate planning, or insurance planning services, although it may provide such services to clients.

### **MISCELLANEOUS ADVISORY SERVICES DISCLOSURE**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** Although the Registrant does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate, tax, or insurance planning. Registrant will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). **Please Note.** Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant. The Registrant does not serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant's services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant does not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Registrant or its representatives. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Cash Positions.** Registrant treats cash as an asset class. As such, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

**Cash Sweep Accounts.** Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion Registrant shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

**Investment Risk.** 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 Registrant) will be profitable or equal any specific performance level(s).

**Retirement Plan Rollovers.** A client or prospective client leaving an employer typically 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 the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn new or increased compensation on the rolled over assets. . Whether Registrant provides a recommendation as to whether a client should engage in a rollover or not, Registrant is acting as a fiduciary 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. No client is under any obligation to roll over plan assets to an IRA managed by the Registrant or to engage the Registrant to monitor and/or manage the account while maintained at the client's employer. The Registrant's Chief Compliance Officer, Thomas Sawyer, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

#### **ERISA PLAN and 401(k) INDIVIDUAL ENGAGEMENTS:**

- **Trustee Directed Plans.** Registrant may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Registrant will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Registrant will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.

**Participant Directed Retirement Plans.** Registrant may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Registrant and the plan. For such engagements, Registrant shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Registrant), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

**Use of Mutual and Exchange Traded Funds:** Registrant utilizes mutual funds and exchange traded funds for its client portfolios. Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive the Registrant's initial and ongoing investment advisory services. In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**ESG: We don't have or recommend a strategy:**

**Please Note: Socially Responsible (ESG) Investing Limitations.** *Socially Responsible Investing* involves the incorporation of **Environmental, Social and Governance** ("ESG") considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not, and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Registrant), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful. Registrant does not maintain or advocate an ESG investment strategy, but will seek to employ ESG if directed by a client to do so. If implemented, Registrant shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

**Borrowing Against Assets/Risks.** A client who has a need to borrow money could determine to do so by using:

- **Pledged Assets Loan-** In consideration for Schwab (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;



These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Registrant does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). Registrant does not recommend such borrowing for investment purposes (i.e., to invest borrowed funds in the market). Regardless, if the client was to determine to utilize a pledged assets loan, the following economic benefits would inure to Registrant:

- by taking the loan rather than liquidating assets in the client's account, Registrant continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Registrant, Registrant will receive an advisory fee on the invested amount; and,
- if Registrant's advisory fee is based upon the higher margined account value (*see* margin disclosure at Item 5 below), Registrant will earn a correspondingly higher advisory fee. This could provide Registrant with a disincentive to encourage the client to discontinue the use of margin.

**Please Note:** The Client must accept the above risks and potential corresponding consequences associated with the use of a pledged assets loan

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

Registrant is not a party to any performance or incentive-related compensation arrangements with its clients.

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

The Registrant 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)

The Registrant 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)

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. 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 the Registrant) will be profitable or equal any specific performance level(s).

The Registrant'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 the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's 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.

**Cybersecurity Risk.** The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant 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 Registrant 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 Registrant 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.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - 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, because of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Currently, the Registrant primarily allocates client investment assets primarily among various fixed income securities, mutual funds and/or exchange traded funds, on a discretionary basis in accordance with the client's designated investment objective(s).

### **Voting Client Securities**

Unless the client directs otherwise in writing, the Registrant 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. The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Registrant will consider when determining how it will vote differ on a case by case basis, they may include, but are not limited to, recommendations by management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant 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), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Information pertaining to how the Registrant voted on any specific proxy issue is also available upon request. Requests should be made by contacting the Registrant's Chief Compliance Officer, Thomas Sawyer.

#### **Item 7      Client Information Provided to Portfolio Managers**

The Registrant is the Program's sole portfolio manager and receives information directly from each client. Registrant shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations or services.

#### **Item 8      Client Contact with Portfolio Managers**

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

#### **Item 9      Additional Information**

- A.** Neither the Registrant nor its management have been the subject of any disciplinary actions.

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

Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Registrant, 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.

The Registrant has no other relationship or arrangement with a related person that is material to its advisory business.

The Registrant does not receive, directly or indirectly, compensation from investment advisers that it recommends or selects for its clients.

## **B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of, integrity, honesty and trust, a copy of which is available upon request.

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

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a 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 the Registrant 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 the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her 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 his/her 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 the Registrant selects.

The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Review of Accounts**

For those clients to whom Registrant provides investment management services, account reviews are conducted on a periodic basis by the Registrant's Principals and/or representatives. All investment management clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

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. The Registrant may also provide a written periodic report summarizing account activity and performance.

### **Client Referrals and Other Compensation**

The Registrant may receive economic benefits from Schwab including support services or products without cost and/or at a discount. Registrant's clients do not pay more because of this arrangement. There is no corresponding commitment made by the Registrant 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 because of the above arrangement.

Registrant does not maintain solicitor arrangements/pay referral fee compensation to non-employees for new client introductions.

### **Financial Information**

The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.

The Registrant 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.

The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Thomas Sawyer, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**