



# RICHMOND BROTHERS

**March 2024**

**RICHMOND BROTHERS, INC.  
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This brochure provides information about the qualifications and business practices of Richmond Brothers, Inc. If you have any questions about the contents of this brochure, please contact us by telephone at 517-435-4040 or email [gmatthew@richmondbrothers.com](mailto:gmatthew@richmondbrothers.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 Richmond Brothers, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Richmond Brothers, Inc. 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 our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## ITEM 2: MATERIAL CHANGES

Richmond Brothers, Inc. is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Our last annual amendment filing was on 3/31/2023. Since then we have included David Richmond's new role of interim CEO of BioVentrix in Item 10. His compensation from his role will be market level compensation in stock of BioVentrix and will dilute the shares of BioVentrix. Please see Item 10 for more information.

### ITEM 3: TABLE OF CONTENTS

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## ITEM 4: ADVISORY BUSINESS

We specialize in the following types of services: Comprehensive Portfolio Management and Financial Planning & Consulting. We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a corporation formed in the State of Michigan. Our firm has been in business as an investment adviser since 2011 and is owned as follows:

David S. Richmond – 72.50% Owner  
Matthew J. Curfman – 24.17% Owner  
Tara E. Furnas – 3.33% Owner

### **Description of the Types of Advisory Services We Offer**

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#### **Comprehensive Portfolio Management**

Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone/video conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds (“ETFs”), mutual funds, individual stocks or bonds, or other securities. Upon the client’s agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client’s portfolio. Unless otherwise agreed upon we perform semi-annual comprehensive reviews of your account performance with you and determine if your financial plan and investment strategy remain appropriate. We also determine if any life changes have occurred which help us as we continuously monitor the investments in your accounts and make important adjustments on a discretionary basis to help meet your goals. If a client experiences any significant changes to his/her financial or personal circumstances, you must notify us so that we can consider such information in managing your investments.

In performing our fiduciary duty in investment advisory services, we design, work with and may recommend investment strategies for management by Beacon Capital Management according to your approved risk tolerance. Through authority granted by you, we will designate the strategy and the account(s) to be traded by Beacon. We monitor and review these accounts on at least a quarterly basis while third-party money managers execute the strategy by trading ETFs, mutual funds, individual stocks or bonds, or other securities in their models to help achieve the financial goals we have determined together. Please refer to the client-executed third-party money management agreement or addendum to your Richmond Brothers agreement for important disclosures and information about fees which are in addition to our advisory fees. Should a client select Beacon to manage a portion or all the assets in their accounts, Beacon will manage your accounts in their proprietary models. Actual stock-to-bond ratio will deviate around the target stock-to-bond ratio of the model portfolio. Although the client account’s target stock-to-bond ratio will be maintained, Beacon may change the specific mutual funds, ETFs or other investments being used in the client account at Beacon’s discretion. Beacon’s model portfolios each have conservative, balanced, and aggressive strategies within them. Richmond Brothers maintains responsibility for assisting the client in understanding and determining the most appropriate services and strategies provided by Beacon; communicating with clients to answer client inquiries, update client information, and acquire suitability information; providing documents, including Beacon’s ADV, to clients as required under federal or state law and regulation; and provide suitability and model updates to Beacon as necessary.

## **Financial Planning & Consulting**

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations under this service are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

## **Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing our Comprehensive Portfolio Management service. Additionally, we offer general investment advice to clients utilizing Financial Planning and Consulting. Despite our best effort to accommodate specific client requests we may not be able to allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account.

## **Participation in Wrap Fee Programs**

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We do not offer wrap fee programs.

## **Regulatory Assets Under Management**

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We manage \$231,900,000 a discretionary basis and have no non-discretionary assets of December 31, 2023.

## ITEM 5: FEES & COMPENSATION

We are required to describe our brokerage, custody, and fees so you will know how much you are charged and by whom our advisory services are provided to you. Our fees are generally not negotiable.

### Comprehensive Portfolio Management

On an annualized basis, our firm's fees for continuous portfolio management services are as follows:

<b>Assets under Management</b>	<b>Annual Percentage Charge:</b>
\$0 - \$500,000	1.35%
\$500,000.01 - \$1,000,000	1.20%
\$1,000,000.01 and above	1.00%

For calculation purposes account balances (including cash) are aggregated by household and then applied to the tiered fee schedule above. The first \$500,000 of the aggregate balance will be charged 1.35%. The next \$500,000 will be charged 1.20%. Assets over \$1,000,000 will be charged 1.00%. Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the daily average of your account(s) of the previous quarter. The initial billing will be performed during the next billing cycle after account opening and include fees for services rendered in the initial quarter as well as our fees for the first full quarter of management. Fees will be deducted from each managed account. Adjustments will be made for deposits and withdrawals. As part of this process, the client is made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us.
- b) A fully executed advisory agreement provides your authorization permitting advisory service fees to be deducted directly from your managed account(s).
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with that provided by the qualified custodian.

### Financial Planning & Consulting

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$250 to \$300 for financial advisors, and \$50 to \$75 for administrative time. Flat fees generally range from \$1,000 to \$2,000.

The fee(s) for our Financial Planning and Consulting service shall be directly billed to you and due to us within 30 days of your financial plan or consulting being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within six months.

### Sub-Advisory Services

Beacon Capital Management charges fees separately and in addition to Richmond Brothers advisory fee. Clients must authorize Beacon to deduct their fee from the managed account similar to Richmond Brothers. Beacon's fees range up to 40 basis points annually while imposing a \$100 minimum annual fee. Beacon fees are billed on a pro-rata annualized basis quarterly in arrears based on the daily value of your account(s). Fees will be deducted from each managed account. There is a minimum annual fee of \$100 per household and minimum account size of \$25,000 which potentially means you will be more than 0.40% should your account fall below the minimum. For assets managed by a third-party, please refer to the service agreement with the third-party manager or addendum to your Richmond Brothers advisory

agreement to learn about the fees and terms. In no case will your total annual advisory fee exceed 1.75% notwithstanding the \$100 annual household minimum fee paid to Beacon.

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

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Our clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

### **Termination and Refunds**

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We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

For purposes of calculating refunds for financial planning and consulting, all work performed by us up to the point of termination shall be calculated at the agreed upon hourly rate. You will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm and Planner from engagement to receipt of letter of termination.

### **Commissionable Securities Sales**

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We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

## **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

We do not charge performance fees to our clients.

## **ITEM 7: TYPES OF CLIENTS & ACCOUNT REQUIREMENTS**

We service different types of clients including: Individuals and High Net Worth Individuals, Charitable Organizations, Pension and Profit Sharing Plans, Corporations, Limited Liability Companies and/or Other Business Types.

We require a minimum account balance of \$250,000 for our Comprehensive Portfolio Management service. If not negotiated otherwise, this minimum account balance requirement is required throughout the course of the client's relationship with our firm.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

### Methods of Analysis:

- Macro-Financial;
- Charting;
- Fundamental;

- Technical;
- Cyclical.

**Investment Strategies We Use:**

- Long Term Purchases (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);
- Trading (Securities Sold Within 30 Days);
- Short Sales;
- Option Writing, including Covered Options, Uncovered Options or Spreading Strategies upon client request.

**Please Note:**

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Comprehensive Portfolio Management service.

## ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Our advisory representatives, in their individual capacities, are licensed insurance agents through multiple insurance companies, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While our firm does not sell such insurance products to our investment advisory clients, we permit our advisory representatives, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that agents may recommend the purchase of insurance products and receive insurance commissions or other additional compensation. To mitigate this conflict, our firm requires the agent to ensure competitive pricing of products recommended. In all cases the agents who are advisory representatives of our firm will act in the client's best interest, meaning all recommendations are made first and foremost to serve and benefit the client

In August 2015, Richmond Brothers extended a bridge loan to Sicilian Sun, a subsidiary of Firma Holding Corp. in the amount of \$275,000 and a subsequent loan for \$100,000. This created a conflict of interest for subsequent purchases of Firma Holding Corp. securities in client accounts in that the financial support incentivized us to purchase Firma to help secure repayment of the loans. Our investment recommendations and discretionary trading in client accounts has been and will continue to be done in the clients' best interest.



David Richmond and Matthew Curfman are managing members of RBI PI Manager, LLC, the manager of the private placement offerings, RBI Private Investment I, LLC, RBI Private Investment II, LLC, RBI Private Investment III, LLC, RBI BV Private Investment, LLC, The RBI Opportunities Fund, LLC, The RBI Opportunities Fund II, LLC, and RBI BioVentrix, LLC, to accredited investors. An investment in a private placement involves a high degree of risk and should be considered only by sophisticated investors able to assume the risks of loss (including the risk of loss of investor's entire investment) and illiquidity inherent with these investments. These offerings do not waive Richmond Brothers Inc.'s fiduciary duty to its clients or infringe upon any client's right to remedy under state or federal laws.

With respect to BioVentrix, Inc., a company in which certain of the funds referred to above hold interests as shareholders or debenture holders, David Richmond performs dual roles as board member and interim CEO. As such, Mr. Richmond's duty to all BioVentrix shareholders could be at conflict with the interests of such funds and their respective investors. Normally, the fund's interests are aligned with the long-term best interests of the portfolio company, as that is what drives value for the company and its investors. The overwhelming majority of times, in light of this alignment of interests, there will be no conflict. But from time to time the company may have to do things that are in the best interests of the company long term but hurt its securities prices, and therefore the company's value in the hands of the funds, in the short term. A conflict of interest also exists with respect to David Richmond's compensation from BioVentrix. Compensation earned by David for duties as board member, including cash and any equity awards, will be assigned to the private funds managed by RBI PI Manager in the proportion they own stock or debentures of BioVentrix and he will only benefit to the extent of his interests in such funds. However, his compensation from his role as interim CEO will not be assigned to the funds and such compensation, which will be stock of BioVentrix, will dilute the shares of BioVentrix. He expects to receive market level compensation for his role of interim CEO that could result in a significant ownership of the company's equity. The resulting dilution could affect the stock value of BioVentrix, Inc. for fund holders. His management role with BioVentrix may also reduce the time he has available for other activities on behalf of RBI PI Manager and Richmond Brothers.

#### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our

<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons 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. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request. Furthermore, advisors of Richmond Brothers holding a CFP® certification uphold the standards of the American College Code of Ethics and the CFP Board's Standards of Professional Conduct. Copies of each are available upon request.

### **Aggregation of Purchase or Sale and Limit Orders**

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is most equitable to the accounts involved. Since block trading only occurs through Fidelity, our Allocation Statement, unless otherwise specifically indicated, shall be the number of shares requested for each client in the block trade, when similar trading price is achieved for fulfilled orders. For unfulfilled orders, allocation shall be proportional to each client's holding of the security being block-traded. Limit orders may be utilized for purposes of achieving the best results for both clients and firm associates. As with all personal securities trading, CCO must give prior approval and executed at the end of the day after client trades are completed. Exceptions require CCO approval.

## **ITEM 12: BROKERAGE PRACTICES**

### **Selecting a Brokerage Firms**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities

- Financial condition
- Business reputation

With this in consideration, our firm has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides our firm with "institutional platform services." Fidelity offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions.

Fidelity may make certain research and brokerage services available at no additional cost to our firm all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Fidelity may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Fidelity to our firm in the performance of our investment decision-making responsibilities.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense. As a result of receiving these services, we may have an incentive to continue to use or expand the use of Fidelity services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

Our clients may pay a commission to Fidelity that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Soft Dollars**

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Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client to the custodian may be used to pay for research that is not used in managing that specific client's account at the time of the transaction. Our firm does not accept products or services that do not qualify for Safe Harbor outlined

in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

### **Client Brokerage Commissions**

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We do not acquire client brokerage commissions (or markups or markdowns).

### **Procedures to Direct Client Transactions in Return for Soft Dollars**

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We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

### **Directed Brokerage**

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Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of Fidelity. Each client will be required to establish their account(s) with Fidelity if not already done. Please note that not all advisers have this requirement.

### **Permissibility of Client-Directed Brokerage**

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We do not allow client-directed brokerage outside our recommendations.

## **ITEM 13: REVIEW OF ACCOUNTS OR FINANCIAL PLANS**

We review accounts at least annually for clients subscribing to our Comprehensive Portfolio Management services which includes any accounts sub-advised by Beacon. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews. We do not provide written reports to clients, unless asked to do so. Oral reports to clients take place at least annually when we reach out to clients to schedule conference/video calls or in-person meetings.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial planning clients do not receive written or oral updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

#### ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

In addition to Item 12 above, we may occasionally co-sponsor seminars or presentations with wholesalers of investment products for existing and prospective clients to provide updates and financial industry education. These activities will not incentivize us to recommend any particular products to our clients unless in their best interest. We don't receive economic benefit or soft dollars from educational events. Our primary goal is to bring industry education to our clients. Clients are never obligated to purchase any investments based on these presentations. They are built to assist us with engaging with our clients to fine-tune their strategies to help meet their goals.

We have no current engagements for client referrals and do not compensate anyone for referrals, testimonials or endorsements.

#### ITEM 15: CUSTODY

Since our advisory fees are deducted from your accounts, all of our clients receive at least quarterly account statements directly from their custodians. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

Because certain clients are investors in private funds managed by RBI PI Manager, LLC, which is under common control as Richmond Brothers, Inc., it should be noted that the fund financials are independently audit by a CPA registered with the Public Company Accounting Oversight Board and delivered annually to each investor.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account at least quarterly.

#### ITEM 16: INVESTMENT DISCRETION

We accept discretionary authority in management of client accounts. Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Comprehensive Portfolio Management. If clients select a Beacon managed model, a sub-advisory agreement must be executed granting Beacon discretion to trade in your account as well as their management fee deduction.

#### ITEM 17: VOTING CLIENT SECURITIES

We do not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

## ITEM 18: FINANCIAL INFORMATION

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance without delivering services. Therefore, we have not included a balance sheet for our most recent fiscal year. Our firm has neither been the subject of a bankruptcy petition nor does it have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.