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### **Form ADV Part 2A – Firm Brochure**

This Brochure provides information about the qualifications and business practices of Piedmont Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (406) 862-9400. 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.

Piedmont Capital Management, LLC is a registered investment adviser. Registration does not imply any level of skill or training.

Additional information about Piedmont Capital Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our firm's CRD # is 165775.

March 18, 2024

## Item 2: Material Changes

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Investment advisers are required to update this brochure when material changes occur and at least annually and, if necessary, deliver to its existing clients a copy of its updated brochure, free of charge; or prepare and deliver a Summary of Material Changes reporting material changes made to this brochure since the last annual update. An offer to deliver a copy of the updated brochure, free of charge, will also be included in this Summary of Material Changes document. If no material changes have been made to the brochure the adviser is not required to complete this Item.

If Piedmont Capital Management, LLC is required to prepare and deliver a Summary of Material Changes, we will prepare a separate document that can be found inserted at the end of this brochure. Material changes made to the brochure are not identified and discussed here.

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## Item 4: Advisory Business

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### Description of Advisory Firm

Piedmont Capital Management, LLC (formerly Coco Enterprises, LLC and hereinafter Piedmont Capital) is a registered investment adviser. We were founded in September 2009 and first registered as an investment adviser directly with individual states in January of 2013. We grew considerably and at the end of 2020 we became eligible to register with the Securities and Exchange Commission (SEC). Our registration with the SEC became effective in May 2021. Prior to February 1, 2024, Joe Coco was the principal owner of the firm. Effective February 1, 2024, Tom Schuch and Drew Coco purchased Joe Coco's interests in the company. We employ 3 investment adviser representatives: Tom Schuch and Drew Coco, as the firm's primary portfolio managers, and Joe Coco remains to assist in navigating the ownership transition. You can learn more about these individuals in the supplements provided at the end of this brochure. As of December 31, 2023, we managed approximately \$172 million of client investment assets all on a discretionary basis.

### Types of Advisory Services

Piedmont Capital offers the following services:

**Wealth Management Services** We provide ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. These services include, but are not limited to, the following:

- Investment strategy
- Security selection
- Regular and/or continuous portfolio monitoring

We evaluate the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels will be documented in the Investor Profile Questionnaire, which is completed by the client; or, completed by the advisor during the due diligence process. Additionally, clients may impose reasonable restrictions on their accounts.

We will periodically review your investment portfolio and implement changes deemed appropriate. We may change the target asset class allocation and/or the specific assets held in your investment portfolio. Piedmont Capital provides this service on a discretionary basis and will not give advance notice or seek your consent for any changes made to the investment portfolio.

Our clients are responsible for informing Piedmont Capital of any changes in their financial circumstances, investment objectives, and any other information provided. We encourage our clients to notify us promptly of any transactions or holdings that appear to be in error or inconsistent with their investment objectives.

**Financial Planning Services** Piedmont Capital also offers and provides financial planning services for an hourly fee. We have found clients generally are seeking guidance on solving a specific financial problem or issue such as: should I sell my rental property, is my family member's

investment portfolio allocated or managed appropriately, how can I help pay my grandchild's college tuition, etc.? However, if requested, we can provide a comprehensive financial plan designed to assist the client in evaluating their current financial status and recommendations to achieve their stated financial goals and objectives.

Additional areas of concern we are often presented with are:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- Investments: Analysis of investment alternatives and their effect on a client's portfolio.
- Insurance: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.

In delivering this service our clients may or may not receive written recommendations or a detailed plan. What we deliver will depend upon the complexity of the problem or issue presented and the specific requests of the client.

**Educational Seminars** We present various educational seminars on various topics, including both investment and non-investment subjects. The seminars are generally open to the public.

## Item 5: Fees and Compensation

How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

### Wealth Management Services Fee

Our Wealth Management Service Fee is based on the market value of the client's assets under management. Here is our fee schedule →

Household Assets Under Management	Annual Advisory Fee
\$0-\$99,999	1.85%
\$100,000-\$249,999	1.50%
\$250,000-\$499,999	1.35%
\$500,000-\$749,999	1.25%
\$750,000-\$999,999	1.10%
\$1 Million - \$2 Million	1.00%
Above \$2 Million	Negotiable

#### FEE CALCULATION EXAMPLE:

Portfolio Value	Fee Rate	Quarterly Fee	Annual Fee
\$255,000	1.35%	$[(\$255,000 \times .0135) = \$3,442.50 / 4] = \$860.63$	\$3,442.50

This fee is negotiable. Fees are based on the market value of the portfolio at the end of the previous quarter. Fees are billed and payable quarterly, in arrears. No increase in the annual fee shall be

effective without agreement from the client by executing a new agreement or amending their current advisory agreement.

Advisory fees are deducted directly from client accounts. We will obtain authorization from you to instruct the broker-dealer/custodian to withdraw our fee from your account in the investment advisory agreement we execute. This authorization is also granted and agreed upon by you in the broker-dealer/custodian account application. The periodic account statement delivered to you by the custodian will reflect the fee deduction.

Accounts opened or closed during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. If you wish to terminate the agreement entered into with Piedmont Capital within five business days of entering the agreement, no fee or penalty will be assessed. After five business days, the agreement may be terminated by you or Piedmont Capital with thirty (30) days' written notice (email accepted). The management fee will be calculated and charged from the first day of the quarter to termination date. Since these fees are billed and paid in arrears, no fees will be returned. The fees due and charged upon termination will be deducted from the account(s) prior to termination.

### **Financial Planning Fee**

The fee for our Financial Planning service is \$175.00 per hour; however, it may be negotiated based on the level of complexity and expected time the project may take to complete. Half of the estimated total project fee is due at commencement of work with the remainder due at completion, however we do not request or accept prepayment of fees exceeding \$1,200.00 per client, six months or more in advance.

### **Educational Seminars**

The fee to attend an educational seminar varies. It can range from \$0.00 to \$100.00 per seminar.

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

Piedmont Capital recommends Wealth Management clients open and maintain accounts at Charles Schwab & Co., Inc. (Schwab). We are not affiliated with Schwab. Schwab provides institutional trading and custody services generally not available to retail investors (see Item 12 Brokerage practices for additional information).

Schwab has an extensive offering of transaction free exchange traded funds (ETFs) and mutual funds. However, for some mutual funds transaction fees are charged when the fund is purchased. There is no transaction fee for individual exchange-traded equity transactions, but a transaction fee may be charged for over-the-counter (not listed on an exchange) transactions. Transaction fees are paid by you, the client, and deducted directly from your account. In executing our investment strategies, we strive to keep your transaction fees low.

Clients may incur additional charges imposed by custodians, broker-dealers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees which are disclosed in the prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we do not receive any portion of these fees, commissions, and costs.

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

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Performance-based fees are based on a negotiated share of the capital appreciation of a client's account and are charged in addition to an investment advisers standard fee. We do not offer performance-based fees.

## Item 7: Types of Clients

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We offer our investment advisory services to individuals, high net worth individuals, family offices, pension and profit-sharing plans, charitable organizations, trusts, corporations and other businesses or entities. We currently do not have a minimum account size requirement; however acceptance of a client relationship is at our discretion.

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

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Our primary methods of investment analysis are technical, fundamental, and cyclical.

**Technical analysis** involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may

not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** Some strategies may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover may result in increased transaction fees and taxable capital gains. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true:

bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal.

**Real-Estate linked investments** may be especially illiquid and subject to specific geographic risk.

**Oil and Gas Interests** may lose value due to changes in commodity prices, costs associated with the transport of oil/gas, seasonal factors or technological advances that impact the demand for oil and gas.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicate. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. We have no control over the risks taken by the underlying funds.



## Item 9: Disciplinary Information

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We have no legal or disciplinary events to disclose.

## Item 10: Other Financial Industry Activities and Affiliations

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Neither Piedmont Capital, nor its management persons, are actively engaged in other financial industry activities or affiliations.

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

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Piedmont Capital has adopted a **Code of Ethics** emphasizing the firm's commitment to its fiduciary duty to always act in good faith and in the best interests of its clients. Our Code's primary tenets are summarized below:

**Objectivity:** We will provide unbiased advice and receive only fees for our investment advisory services. We will not receive any compensation contingent upon any client's purchase or sale of an investment product.

**Confidentiality:** We will not disclose to a third party the identity, affairs, or investments of any client unless the information concerns illegal activity, we are required by law to do so, or consented to by the client.

**Competence:** We will strive to maintain a high level of knowledge and will provide advice only in areas we are capable.

**Fairness:** We will deal fairly with all clients when providing investment information and making investment recommendations.

**Clients' Investment Priorities Over Firm's Own Interests:** We will give priority to investment recommendations made to the client over those that benefit our own interests.

**Suitability:** We will make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation and we will reassess and update this information regularly. We will determine if an investment recommendation is suitable based upon the client's financial situation and investment objectives prior to making any investment recommendation. We will assess the suitability of investment recommendations in the context of the client's total portfolio.

**Integrity & Honesty:** We will not engage in any professional conduct involving dishonesty, fraud or deceit or commit any act that reflects adversely on our professional reputation, integrity, or competence.

**Regulatory Compliance:** We will strive to maintain compliance with applicable State and Federal securities industry regulations.

**Full Disclosure:** We will fully describe its method of compensation and total cost of investment recommendations. We will make full and fair disclosure of all matters or conflicts of interest that could reasonably be expected to impair the independence and objectivity or interfere with our respective fiduciary duty to our clients.

Our Code of Ethics is available to our clients and prospective clients upon written request by contacting Joe Coco at the contact information found on the cover page of this brochure.

Piedmont Capital or its employees and representatives may invest in the same securities we recommend to our clients. Client investment objectives can be the same or similar to the investment objectives of our employees or representatives. Our employees' and representatives'

accounts are often invested in the same model portfolios the firm's clients are invested in. Employees, representatives, and clients may also mutually hold other securities that are not held in a model portfolio.

Investing in securities our clients also invest in presents a potential conflict of interest. Should an employee or representative of the firm become aware of a recommendation for client accounts that could potentially impact the price of a security (for example the firm may be contemplating selling a large position held in many client accounts and when sold the price of the security may fall significantly), in anticipation of the stock price falling, the employee or representative may be tempted to sell that security before it is sold in client accounts. This is also known as front-running.

To avoid front-running we require firm personnel to adhere to our Code of Ethics and our fiduciary duty to always place our clients' interests before our own. We require personnel to be cognizant of client trading activity and ensure transactions placed for their own accounts are appropriate prior to executing the personal trade. When firm personnel are aware of potential transactions in mutually owned securities, and if applicable and appropriate, all orders (employee, representative, and client) are aggregated in a block trade (described below in Item 12. Brokerage Practices) or client orders are placed before our own. To detect and prevent improper personal trading we require our employees and representatives to submit for review holdings and transaction reports.

Piedmont Capital does not directly buy securities from or sell securities to our clients (i.e. principal transactions). Neither Piedmont Capital nor any of its investment adviser representatives act as a general partner in a partnership. If so, we would not solicit clients to invest in the partnership. Neither Piedmont Capital nor any of its investment adviser representatives act as an investment adviser to an investment company we recommend to clients.

## Item 12: Brokerage Practices

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### **RECOMMENDED BROKER-DEALER/CUSTODIAN**

Piedmont Capital does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15: Custody, below). Your assets must be maintained in an account at a "qualified account", generally a broker-dealer or bank. We recommend our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below in Item 14: Client Referrals and Other Compensation. You should consider these conflicts of interest when selecting your custodian.

We do not open a brokerage account for you, although we may assist you in doing so. If you do not

wish to open a brokerage account with Schwab, then we cannot manage that particular account. Not all investment advisers require their clients to use a particular broker-dealer or custodian selected by the adviser. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “YOUR BROKERAGE AND CUSTODY COSTS”).

## **HOW WE SELECT BROKERS/CUSTODIANS**

In selecting Schwab as our recommended custodian/broker-dealer, we considered a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Competitiveness of transaction fees
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB)

## **YOUR BROKERAGE AND TRADING COSTS**

For our clients’ accounts maintained at Schwab, Schwab generally does not charge you separately for custody services but is compensated by charging fees on transactions executed in or that settle into your Schwab account. Certain trades (for example, many mutual funds, and U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction fees, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined executing most trades through Schwab is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors including those listed

above (see “**HOW WE SELECT BROKERS/CUSTODIANS**”). Other brokers or dealers may charge lower transaction fees.

## **PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB**

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like ours. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through our firm. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available at no charge to us. Following is more detailed description of Schwab’s support services:

**Services that benefit you.** Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts and operating our firm. They include investment research, both Schwab’s own and that of third parties. We use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, record keeping, and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Education conferences and events
- Consulting on technology and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment for our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

## **SCHWAB'S ACQUISITION OF TD AMERITRADE AND TRANSITION**

It's important to note that Schwab recently acquired TD Ameritrade. Prior to 2023 we recommended our clients open and maintain accounts at TD Ameritrade as the custodian of their accounts and the broker to execute account transactions. The transition of our clients' accounts held at TD Ameritrade to Schwab was completed in September 2023. Since the transition to Schwab began we have used the products and services offered by Schwab to assist us in managing and administering our clients' accounts and operating our firm, those products and services *that do not directly benefit you* listed above. We have not yet taken advantage of many of the services *that generally benefit only us* listed above.

## **OUR INTEREST IN SCHWAB'S SERVICES**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. [These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.] The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "HOW WE SELECT BROKERS/CUSTODIAN") and not Schwab's services that benefit only us.

## **CLIENT DIRECTED BROKERAGE**

Piedmont Capital recommends clients open and maintain accounts at Schwab. Piedmont Capital is independently owned and operated and is not affiliated with Schwab. We believe our recommendation of Schwab is in the best interest of our clients. This recommendation is supported by the scope, quality, and price of Schwab's services. The conflicts of interest this recommendation may present are described and addressed above. Piedmont Capital generally does not permit clients to direct brokerage to a broker-dealer other than Schwab at this time, however we realize some special circumstances may exist that we may try to accommodate. Therefore, if instructed by the client to execute trades through a particular broker-dealer other than Schwab, the client may not receive the best execution available, may pay higher commissions, and may not be able to participate in aggregated trades.

## ORDER AGGREGATION

Client orders executed through the same broker dealer may be aggregated to achieve best execution. Each client transaction included in the aggregated order will be executed at the same price per share. Clients incur the same transaction fee regardless if the order was aggregated or executed individually.

Trading activity directed by clients may not be aggregated simply because we may not be trading that same security in other accounts at that time.

## Item 13: Review of Accounts

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Client accounts are reviewed on a quarterly basis by Tom Schuch, CFP® and Drew Coco, CIMA®. During this review the account's performance is compared against like-managed accounts to identify any unacceptable performance deviation. Additionally, client-imposed restrictions are reviewed to confirm adherence to the restriction. Events that may trigger a special review are unusual performance, addition or deletions of client-imposed restrictions, excessive withdrawals, volatility in performance, etc.

Piedmont Capital will not provide written reports to the client on a periodic basis. However, we will provide certain reports as requested.

## Item 14: Client Referrals and Other Compensation

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Piedmont Capital and its representatives do not receive compensation for client referrals, nor do we compensate any person for client referrals.

Piedmont Capital receives products and services from Schwab at no charge. These products and services are available to us and other independent investment advisors whose clients maintain their accounts at Schwab. This is an economic benefit because we do not have to pay for these products and services that we may otherwise have to purchase from other vendors. This creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12: BROKERAGE PRACTICES).

## Item 15: Custody

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Under securities industry regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account, or if you grant us authority to disburse funds from your account to a third-party.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. The account statements will be sent to the email or postal mailing address you provide to Schwab. You should carefully review those statements promptly when you receive

them. We also urge you to compare information reported on Schwab's account statements to any reports you may receive from Piedmont Capital.

## Item 16: Investment Discretion

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For those clients receiving Wealth Management Services, where we provide continuous and regular portfolio management and investment advice, we maintain limited power of authority to buy or sell securities without contacting the client for authorization prior to affecting the transaction (discretionary authority). Investment discretion is explained to clients in detail when the investment advisory relationship is established. At the start of the advisory relationship, the client will grant Piedmont Capital this limited power of attorney and discretionary trading authorization in the account opening documentation. Discretionary trading authority will also be granted and agreed upon in the investment advisory agreement executed with the client.

## Item 17: Voting Client Securities

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Piedmont Capital will not accept authority to vote client securities. Our clients maintain this responsibility. If our clients would like our opinion on a particular vote they may contact us at the number listed on the cover of this brochure. In most cases, you will receive voting materials directly from the account custodian. However, in the event we were to receive any written or electronic voting materials, we will forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail.

## Item 18: Financial Information

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### **BALANCE SHEET**

We do not request or accept prepayment of fees exceeding \$1,200.00 per client, six months or more in advance and therefore are not required to include a balance sheet with this brochure.

### **FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Neither Piedmont Capital nor its management has any financial condition that is likely to impair our ability to meet contractual commitments to clients.