

**Pinnacle Wealth Management Partners, Inc. d/b/a
Pinnacle Wealth Management, Inc.**

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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Pinnacle Wealth Management Partners, Inc. dba Pinnacle Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 810-220-6322. 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 Pinnacle Wealth Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Pinnacle Wealth Management, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

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

We did have material changes to our Form ADV Appendix 1 and you are referred to that document for more information.

Since the filing of our last annual updating amendment, dated March 20, 2023, we have made the following material changes to our Brochure:

1. Charles Schwab & Co. Inc. purchased TD Ameritrade in October of 2020. All clients' accounts formally held at TD Ameritrade were transferred over in kind to Charles Schwab.

Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 9
Item 6 Performance-Based Fees and Side-By-Side Management	Page 12
Item 7 Types of Clients	Page 13
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 13
Item 9 Disciplinary Information	Page 17
Item 10 Other Financial Industry Activities and Affiliations	Page 17
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 18
Item 12 Brokerage Practices	Page 19
Item 13 Review of Accounts	Page 20
Item 14 Client Referrals and Other Compensation	Page 21
Item 15 Custody	Page 21
Item 16 Investment Discretion	Page 22
Item 17 Voting Client Securities	Page 22
Item 18 Financial Information	Page 22
Item 19 Requirements for State-Registered Advisers	Page 22
Item 20 Additional Information	Page 22

Item 4 Advisory Business

Description of Services and Fees

Pinnacle Wealth Management Partners, Inc. d/b/a Pinnacle Wealth Management, Inc. is a registered investment adviser primarily based in Brighton, Michigan. We are organized as a corporation under the laws of the State of Michigan. We have been providing investment advisory services since 2013. Andrew Perri is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Financial Planning and Consulting Services
- Stand-Alone Advisory Consulting
- Pension Consulting Services
- Selection of Other Advisers
- Educational Classes
- 401(k) Management Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. We use the terms "we" and "our" throughout this disclosure brochure to refer to Pinnacle Wealth Management, Inc. The use of these terms is not intended to imply that there is more than one individual associated with this firm. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we will customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment management agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

Financial Planning and Consulting Services

We offer financial planning and consulting services at four different levels using what we call the "Vision Driven Planning Process" as described below. If you retain our firm for financial planning and consulting services, we will meet with you to gather information about your financial circumstances and

objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions through other brokers or agents not affiliated with us.

Our **BRONZE** Level of service is included with Advisory Fee you pay if you have engaged us for Portfolio Management. It includes:

- The Bucket Plan
- Stress-Test/Back-Test Current Plan
- Volatility Tolerance Analysis
- Investment Audit
- Life Insurance Audit
- WealthGuard
- Periodic Review Meeting
- Portfolio Recommendations

Our **SILVER** Level of service includes all of the above listed Bronze Level Services plus the following:

- Social Security Optimization
- Advice on Outside Accounts
- General Investment Advice
- Online Client Vault
- Beneficiary Designation Review
- Vision Driven - Structured Income Plan

Our **GOLD** Level of service includes all of the above listed Silver Level Services plus the following:

- CPA Prepared Tax Return
- Family Estate Organizer
- Legal Document Review*
- Probate Avoidance Strategies
- Long Term Care Risk Mitigation

*(Legal document review provided by independent counsel, update to documents may require additional fee)

Our **PLATINUM** Level of service includes all of the above listed Gold Level Services plus the following:

- 3 Year Tax Audit
- Tax Blue Print
- Roth Conversion Bracket Bumping
- Estate Tax Reduction
- Charitable Tax Planning

Advisory Consulting Services

We also offer stand-alone advisory consulting services to individuals which primarily involves advising clients on specific financial-related topics. The topics we address may include, but are not limited to, 401(k) plans and management thereof, risk assessment/management, and investment planning.

When a client contracts with us for stand-alone advisory consulting services, we require each client to acknowledge, in advance, that they only desire consultation in regard to the specific financial area agreed upon to be reviewed and/or analyzed by our firm. If you engage us for advisory consulting services only, it is your responsibility to implement our recommendations. We do not execute transactions for advisory consulting clients unless you separately retain us for Portfolio Management. We also require clients to agree to hold our firm harmless from any liability arising out of any area(s) that we have not reviewed and/or analyzed on your behalf.

You are under no obligation to act on our advisory consulting recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the recommendations through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions through other brokers or agents not affiliated with us.

Pension Consulting Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Advisory Services to Retirement Plans

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement that you have previously signed with our firm. Our compensation for these services is described below, at Item 5, and also in the service agreement. We may, with consent of the Plan, and in accordance with Plan

documents, bill out-of pocket expenses (such as overnight mailings, messenger, translation fees, etc.) at cost. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants. Nonetheless, since Associated Persons of our firm are licensed insurance agents, these individuals may receive commissions from the sale of insurance products. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you. (See Items 5, 12, and 14 for additional disclosures).

In providing services to the Plan and Participants, our status is that of an investment adviser registered with the State of Michigan and such other state securities authorities as required by law, and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, and/or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

Selection of Other Advisers

We may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

Educational Classes

We offer Adult Education Classes for those individuals who would like to learn more about retirement planning. The classes are offered in either 2 or 3 sessions and each session is three (3) hours.

Wrap Fee Program(s)

We are a portfolio manager to, and sponsor of, a wrap fee program, which is a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.

Transactions for your account must be executed by FOLIOfn Investments, Inc, (aka "FOLIOfn Institutional[®]"), Fidelity Investments ("Fidelity"), Charles Schwab & Co., Inc., and SEI Investments, securities broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC") or E*Trade Advisor Services. FOLIOfn Institutional[®] may also use Kingdom Trust Company to hold non-traded investments.

To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by FOLIOfn Institutional[®], Fidelity, E*Trade Advisor Services, or other broker-dealers, and the advisory fees charged by investment advisers. For more information concerning the Wrap Fee Program, please see *Appendix 1* to this Brochure.

Types of Investments

We primarily offer advice on equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds, exchange traded funds ("ETFs"), variable life and variable annuities), US Government securities, interests in partnerships investing in real estate and oil and gas interests, non-traded REITs and non-traded business development companies and limited liability companies.

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

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

We only offer wrap fee programs and therefore all accounts are managed with the same investment strategy.

If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

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

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

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Assets Under Management

As of January 17, 2024, we provide continuous management services for \$131,466,000 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis. Pinnacle Wealth Management Partners advises on an additional \$62,282,480 that is not considered RAUM.

Item 5 Fees and Compensation

Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Assets Under Management	Annual Fee
First \$500,000	1.6%
\$ 500,001 to \$1,000,000	1.40%
\$1,000,001 to \$2,000,000	1.20%
Over \$2,000,000	1.00%

Depending on the arrangements made at the inception of the engagement and the custodian used, we may either bill our annual portfolio management fee quarterly in advance or monthly in arrears. In most cases the fee is based on the value of your account on the last business day of the previous quarter or the last day of the billing cycle. However, depending on the sub-adviser used, the fee may alternatively be determined based on the average daily balance during the billing period. 401(k) Plans are billed monthly in advance.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

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

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. For example, if the quarterly fee was \$3,000 and the cancellation is effective as of the middle of the quarter, you would be entitled to a refund of one-half of the fee or \$1,500. If cancellation was effective as of two months into the quarter, you would receive a refund of one-third of the fee or \$1,000.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

Financial Planning and Consulting Services

Our fees for Financial Planning and Consulting Services vary depending on the type of package you purchase. (See also, *Additional Fees and Expenses* below for more information).

As noted above, we do not charge for our **Bronze Level** of service if you have engaged us for Portfolio Management. Or fee for our Bronze Level of service is included in the Portfolio Management Fee described above.

Silver Plan:

The cost for the entire package is a one-time amount of \$975. The initial remittance of one-half of the fee (i.e., 50%) in the amount of \$487.50 is due at the first financial planning meeting when we begin our financial planning process. The remaining 50% of the fee (\$487.50) is due within 45 days of our final planning session. If clients implement the final plan through our Portfolio Management service, the second installment of the financial planning fee (\$487.50) will be waived.

- **365 Day Pinnacle Wealth Pledge:-** Clients, at anytime during the first 365 days of working with Andrew Perri, may for any reason cancel the service with a no questions asked, 100% money back assurance. Simply return the materials received to date from Andrew Perri and Pinnacle Wealth Management, Inc. and we will refund all monies paid to date with no questions asked.

Gold Plan:

The cost for the entire package is a one-time amount of \$1,966. The initial remittance of one-half of the fee (i.e., 50%) in the amount of \$983 is due at the first financial planning meeting when we begin our financial planning process. The remaining 50% of the fee (\$983) is due within 45 days of our final planning session. If clients implement the final plan through our Portfolio Management service, the second installment of the financial planning fee (\$983) will be waived.

- **365 Day Pinnacle Wealth Pledge:-** Clients, at anytime during the first 365 days of working with Andrew Perri, may for any reason cancel the service with a no questions asked, 100% money back assurance. Simply return the materials received to date from Andrew Perri and Pinnacle Wealth Management, Inc. and we will refund all monies paid to date with no questions asked.

Platinum Plan:

The cost for the entire package is a one-time amount of \$3,950. The initial remittance of one-half of the fee (i.e., 50%) in the amount of \$1,975 is due at the first financial planning meeting when we begin our financial planning process. The remaining 50% of the fee (\$1,975) is due within 45 days of our final planning session. If clients implement the final plan through our Portfolio Management service, the second installment of the financial planning fee (\$1,975) will be waived.

- **365 Day Pinnacle Wealth Pledge:-** Clients, at anytime during the first 365 days of working with Andrew Perri, may for any reason cancel the service with a no questions asked, 100% money back assurance. Simply return the materials received to date from Andrew Perri and Pinnacle Wealth Management, Inc. and we will refund all monies paid to date with no questions asked.

Advisory Consulting Services

For our stand-alone advisory consulting service we may charge either an hourly fee of \$195 or an agreed upon flat annual fee. We do not custody client assets and it is the client's responsibility to implement our advice on their own. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

The fees for consulting services are due in advance of any services rendered. We will provide you with a bill for the fee. Payment may be made by check and is due in full prior to our beginning work. Either party may terminate the consulting agreement upon written notice to the other. The consulting fee will be pro-rated from the date in which the cancellation notice was given and any unearned fees will be refunded to the client. In the event of cancellation, the pro-rated refund will be based on the number of hours worked multiplied by the effective hourly rate as specified in your contract.

Pension Consulting Services

The compensation arrangement for these services will be the same as those for Portfolio Management Services described above. Nevertheless, our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon 30-days' written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

Selection of Other Advisers

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the TPMM. The advisory fee you pay to the TPMM is established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each TPMM. As such, a conflict of interest exists where our firm or persons associated with our firm has an incentive to recommend one TPMM over another TPMM with whom we have more favorable compensation arrangements or other advisory programs offered by TPMMs with whom we have less or no compensation arrangements.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

Education Classes

The cost for the retirement planning class is \$59.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange

traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. Additionally, Kingdom Trust and E*Trade Advisor Services charge annual fees for custodial services on non-traded alternative investments. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. Moreover, you may act on our recommendations by placing securities transactions through other brokers or agents not affiliated with us.

One or more persons providing investment advice on behalf of our firm are registered representatives with Purshe Kaplan Sterling Investments, Inc. ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

We do not reduce our advisory fees to offset any commissions or mark-ups that you may pay.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals (including high net worth individuals), pension and profit sharing plans, 401(k) Plans, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$25,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

We will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

- **Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

- **Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

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 and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

- **Risk:** 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 - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

- **Risk:** 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.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

- **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

- **Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses. However, there is a risk that frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the *Advisory Business* section in this brochure, we primarily recommend equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds, exchange traded funds ("ETFs"), variable life and variable annuities), US Government securities, interests in partnerships investing in real estate and oil and gas interests, non-traded REITs, and non-traded business development companies and limited liability companies. However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Commercial Paper: Commercial Paper (CP) is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is a less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

Certificates of Deposit: Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it's possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the

bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Mutual Funds and ETFs: Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

Variable Annuities: A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as: mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds, and mutual funds do. Some variable annuities offer "bonus credits". These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges) the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with

the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

REITs: A real estate investment trust or REIT is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). Fluctuations in the real estate market can affect the REIT's value and dividends.

Business Development Companies: A Business Development Company (BDC) is a form of private equity, which can be either publicly traded or non-traded, that invests in small, upcoming businesses similar to venture capital or private equity funds. The BDC must subject itself to all relevant provisions of the Investment Company Act, which (a) limits how much debt a BDC may incur, (b) prohibits certain types of affiliated transactions, (c) requires a code of ethics and a comprehensive compliance program, and (d) requires regulation by the Securities and Exchange Commission (SEC). BDCs are usually taxed as regulated investment companies. Like real estate investment trusts (REITs), as long as it meets certain income, diversity, and distribution requirements, the company pays little or no corporate income tax. As a pass-through tax structure, it must distribute at least 90 percent of taxable income as dividends to investors. BDCs are high-risk. High dividend yields come from earnings from illiquid businesses in their portfolio, and high-risk debt issues the company holds. Many BDCs improve earnings by borrowing large amounts of money at a low rate in the short-term to invest in illiquid companies. This means that a business development company will typically outperform when the economy is doing well, and significantly underperform when the economy performs poorly. You will pay ordinary income taxes on dividends paid out by a business development company. Therefore, the most tax efficient way to hold a BDC is through a tax-exempt retirement plan like a 401k or IRA. A business development company may own more than 100 companies at any one time. These assets can be difficult to value, and you have to rely on management's assessment of what their holdings are worth. Like any other closed-end fund, the management team is required to publish the fund's "net asset value," or the value that it ascribes to its investment portfolio. Although the debt instruments BDCs hold provide regular income, the businesses that BDCs own do not. Therefore, BDCs that are invested primarily in equity, rather than debt, will have less consistent income and less consistent dividends.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Insurance Licenses

Persons associated with our firm are licensed independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Accountant/Accounting Firm

Mark Wojno is an investment adviser representative of Pinnacle Wealth Management Partners, Inc. and a licensed CPA. In that capacity, he may provide tax preparation services for our clients who request it.

Mortgage Loan Officer

Mark Wojno is a Mortgage Loan Officer with Success Business Partners, Inc., a mortgage banker. If you need mortgage financing, Mr. Wojno will refer you to Success Business Partners, Inc. for such services. This presents a conflict of interest since Mr. Wojno has a financial incentive to refer you to Success Business Partners, Inc. for mortgage services. You are under no obligation, contractually or otherwise, to use the services of any mortgage banker recommended by any person affiliated with our firm.

Conflicts of Interest

The above affiliations present conflicts of interest because persons providing investment advice on behalf of our firm who are insurance agents and/or licensed CPAs and/or mortgage loan officers have an incentive to recommend mortgage bankers, sell you insurance or provide tax preparation services to you for the purpose of generating commissions or other compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. Moreover, you may act on our recommendations by placing insurance transactions through other brokers or agents not affiliated with us and/or by using the mortgage banking, accounting or tax preparation services of your choosing.

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Purshe Kaplan Sterling Investments, Inc. ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

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

Personal Trading Practices

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

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of FOLIO^{fn} Investments, Inc. (aka "FOLIO^{fn} Institutional[®]"), SEI Financial Services Co. ("SEI"), and Charles Schwab & Co., Inc. ("Schwab"), securities broker-dealers and members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe these broker-dealer/custodians provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by these broker-dealer/custodians, including the value of the firms' reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services this firm provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. We may also use E*Trade Advisor Services as a custodian.

When purchasing non-traded investments in managed accounts at FOLIO^{fn} Institutional[®], assets will be held with The Kingdom Trust Company or E*Trade Advisor Services as custodian(s). Kingdom Trust is a non-fiduciary trust company, registered and regulated in the state of South Dakota as a non-depository trust company. Kingdom Trust is a passive, non-discretionary custodian.

When we act as a solicitor and refer you to FormulaFolio Investments, LLC ("FFI"), FFI may use either FOLIO^{fn} Institutional[®], Charles Schwab & Co., Inc. ("Schwab"), or Fidelity Investments ("Fidelity") as custodian(s). FOLIO^{fn} Institutional[®], Schwab and Fidelity are unaffiliated SEC-registered broker-dealers and FINRA members. See Item 14 below for more details regarding FFI and our services as a solicitor.

Research and Other Soft Dollar Benefits

We do not receive any soft dollar benefits from any broker-dealer.

Brokerage for Client Referrals

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

Directed Brokerage

You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use FOLIO^{fn}, we may not be able to accept your account. By requiring that you direct brokerage to the above referenced company, we may be unable to achieve the most favorable execution of client transactions and, therefore, this may cost clients more money. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

Persons providing investment advice on behalf of our firm who are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), would normally be required to recommend PKS to you for brokerage services. These individuals are subject to applicable industry rules that restrict them

from conducting securities transactions away from PKS unless PKS provides the representatives with written authorization to do so, which has done in this case. Therefore, although these individuals would generally be limited to conducting securities transactions through PKS, in this instance, as noted above, they will generally recommend FOLIO Institutional®. It may be the case that FOLIO Institutional® charges higher transaction costs and/or custodial fees than another broker charges for the same types of services. However, if transactions were executed through PKS these individuals (in their separate capacities as registered representatives of PKS) could earn commission-based compensation as a result of placing the recommended securities transactions through PKS. This practice would present a conflict of interest because these registered representatives would have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use the recommended broker we may not be able to accept your account. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

Block Trades

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

Your Investment Adviser Representative will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, or upon your request. The reviews are designed to ensure the advisory services provided to you and the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Your Investment Adviser Representative will review your financial plan periodically upon your request to ensure that the planning advice is consistent with your stated investment needs and objectives. Written updates to the financial plan will be provided in conjunction with the review. Such reviews and updates will be subject to our then current hourly rate. If you implement financial planning advice through our Portfolio Management service you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Item 14 Client Referrals and Other Compensation

We are compensated by FormulaFolio Investments, LLC ("FFI") for client referrals. In order to receive a cash referral fee from FFI, we must comply with the requirements of the jurisdictions in which we operate. If you are referred to FFI by our firm, you should receive a copy of FFI's Disclosure Brochure along with a separate written disclosure statement at the time of the referral. If you become a client of FFI, we will receive a percentage of the advisory fee you pay to FFI for as long as you are a client with FFI, or until such time as our agreement with FFI expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to us are contingent upon your entering into an advisory agreement with FFI. Therefore, we have a financial incentive to recommend FFI to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain FFI for advisory services. Comparable services and/or lower fees may be available through other firms.

We have entered into contractual arrangements with an employee of our firm under which the employee receives compensation from our firm for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation to the employee is equal to a percentage of the advisory fee collected from you for as long as you are a client with our firm, or until such time as our agreement with the employee expires. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation paid to the employee is contingent upon you entering into an advisory agreement with our firm. Therefore, the employee has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section.

Item 15 Custody

We do not take physical custody of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. We will have the authority to deduct our advisory fees from your account, but only if you previously consented to such deduction in writing. This ability to deduct our fees gives us limited custody over your funds.

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

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

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

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

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

Item 18 Financial Information

We are not required to provide a balance sheet or other financial information to our clients because we do not require the prepayment of fees in excess of \$1200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

Item 19 Requirements for State-Registered Advisers

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

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

Class Action Lawsuits

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