

## Item 1 – Cover Page



a Registered Investment Adviser

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March 6, 2024

This brochure provides information about the qualifications and business practices of Madison Park Capital Advisors, LLC (hereinafter "MPCA" or the "Firm"). If you have any questions about the contents of this brochure, please contact Christopher D. Featherstone, Chief Compliance Officer, at (206) 623-6722 or [chris@madisonparkca.com](mailto:chris@madisonparkca.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). MPCA is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2 – Material Changes

In this Item, MPCA is required to discuss any material changes that have been made to the brochure since the last annual amendment filed February 17, 2023. Since that date, we have made the following material changes:

- Item 5 was amended to reflect the following changes:
  - Our fixed fees for stand-alone financial planning or consulting services range from \$2,400 to \$12,000.
  - Financial planning and/or consulting services are typically included as part of the investment management fees for investment management clients with assets under our management in the amount of \$500,000 or more.
- Item 7 was amended to reflect our increased minimum annual fee of \$2,500.
- Item 8 was amended to ask risk disclosure information about digital assets.
- Item 14 was amended to disclose information about potential referral/promoter agreements and in compliance with the requirements of the SEC's marketing rule (SEC Rule 206(4)-1.)

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Madison Park Capital Advisors, LLC is 172780. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Our Brochure may be requested by contacting Christopher D. Featherstone, Chief Compliance Officer, at (206) 623-6722 or [chris@madisonparkca.com](mailto:chris@madisonparkca.com). Our Brochure is provided free of charge.

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## Item 4 – Advisory Business

MPCA offers financial planning, consulting and investment management services to its clients. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with MPCA setting forth the relevant terms and conditions of the advisory relationship (the “*Agreement*”).

MPCA has been operating as an independent registered investment adviser since November 2014 and is wholly owned by Christopher D. Featherstone, Jeffrey A. Mullen, and Andrew Barfoot. As of December 31, 2023, MPCA had \$259,374,154 in assets under management, \$241,337,271 of which was managed on a discretionary basis and \$18,036,883 of which was managed on a non-discretionary basis. We also provide advice and counsel on an additional \$5,060,195 of client assets such as 401(k) plans.

While this brochure generally describes the business of MPCA, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on MPCA’s behalf and is subject to the Firm’s supervision or control.

### **Financial Planning and Consulting Services**

MPCA offers clients a range of financial planning and consulting services, which may include any or all of the following functions:

- |                         |                            |
|-------------------------|----------------------------|
| ▪ Business Planning     | ▪ Investment Consulting    |
| ▪ Cash Flow Forecasting | ▪ Insurance Needs Analysis |
| ▪ Asset Allocation      | ▪ Retirement Plan Analysis |
| ▪ Retirement Planning   | ▪ Charitable Giving        |
| ▪ Estate Planning       | ▪ Risk Management          |
| ▪ Financial Reporting   | ▪ Distribution Planning    |

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management. In performing these services, MPCA is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

Where appropriate, MPCA recommend clients engage the Firm for additional related services, its *Supervised Persons* in their individual capacities as insurance agents or registered representatives of a broker-dealer, and other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage

MPCA or its *Supervised Persons* to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by MPCA under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including MPCA itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising MPCA's previous recommendations and/or services.

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### **Investment Management Services**

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MPCA manages client investment portfolios on a discretionary or non-discretionary basis.

MPCA primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), and individual debt and equity securities, in accordance with the investment objectives of its individual clients. In addition, where appropriate, MPCA also recommends that clients who constitute accredited investors, as defined in Rule 501(a) under the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds), or digital assets. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage MPCA to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, MPCA directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

MPCA tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. MPCA consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify MPCA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if MPCA determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## Item 5 – Fees and Compensation

MPCA offers services on a fee basis, which include fixed fees, as well as fees based upon assets under management or advisement or the performance of the account. Additionally, certain of the Firm's *Supervised Persons*, in their individual capacities, offer securities brokerage services and/or insurance products under a separate commission-based arrangement.

### **Financial Planning and Consulting Fees**

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MPCA generally charges a fixed fee to provide clients with stand-alone financial planning or consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and generally range from \$2,400 to \$12,000 on a fixed fee basis. MPCA also offers these services on a quarterly retainer arrangement, where such an arrangement is deemed to be in the client's best interest. The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with MPCA. Generally, MPCA requires one-half of the financial planning or consulting fee payable upon execution of the *Agreement* and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion.

For investment management clients with assets under the Firm's management of \$500,000 or more, financial planning and/or consulting services are typically included as part of the investment management fees received by the Firm.

### **Investment Management Fees**

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MPCA provides investment management services for an annual fee based on the amount of assets under the Firm's management. The fee varies based on the following fee schedule:

PORTFOLIO VALUE	ANNUAL FEE
First \$500,000	1.50%
Next \$500,000	1.25%
Next \$1,000,000	1.00%
Next \$3,000,000	0.90%
Above \$5,000,000	0.80%

The annual fee is prorated and charged monthly, in advance, based upon the average daily value of the assets being managed by MPCA during the previous month.

For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

### **Fee Discretion**

MPCA, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to MPCA, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions, including those recommended by the Firm (collectively "*Financial Institutions*"). These additional charges include securities brokerage commissions and other transaction costs, reporting charges, margin charges, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), fees with respect to alternative investments, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

### **Fee Debit**

Clients generally provide MPCA with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as the qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to MPCA.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to MPCA's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to MPCA, subject to the usual and customary securities settlement procedures. However, MPCA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. MPCA consults with its clients about the options and implications of transferring securities as necessary. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

### **Commissions and Sales Charges for Recommendations of Securities**

Clients can engage certain persons associated with MPCA (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement.

Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with MPCA.

Under this arrangement, clients may implement securities transactions through certain of the Firm's *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments ("PKS") (the "Brokerage Relationship"). PKS charges brokerage commissions to effect certain of these securities transactions and thereafter, a portion of these commissions can be paid by PKS to such *Supervised Persons*. As stated above, prior to effecting any transactions through the Brokerage Relationship, clients are required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. A conflict of interest exists to the extent that a Supervised Person of The Firm recommends the purchase or sale of securities where that Supervised Person receives commissions or other additional compensation as a result of that recommendation. The Firm has procedures in place to ensure that any recommendations made by such *Supervised Persons* to engage in the Brokerage Relationship are in the best interest of that client. Because the *Supervised Persons* may receive compensation in connection with the sale of mutual funds through the Brokerage Relationship, a conflict of interest exists as such *Supervised Persons* may have an incentive to recommend more expensive mutual fund share classes to clients where such *Supervised Persons* earn more compensation with respect to the sale of such mutual fund share classes.

### **Rollover Recommendations**

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As part of our investment advisory services to you, we may recommend that you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the ERISA and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests and not put our interests 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 interests;
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

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

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, upon request, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

As an alternative to providing you with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing you with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to you regarding the prospective rollover of your assets and you are advised to speak with your trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we will provide you with materials discussing some or all of the following topics: the general pros and cons of rollover transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside your Plan Account; and high level discussion of general investment concepts (e.g., risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide you with questionnaires and/or interactive investment materials that may provide a means for you to independently determine your future retirement income needs and to assess the impact of different asset allocations on your retirement income. In such circumstances, you will make the final rollover decision.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

MPCA does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7 – Types of Clients**

MPCA provides its services to individuals, trusts, estates, charitable entities, and small businesses.

### **Minimum Annual Fee**

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As a condition for starting and maintaining an investment management relationship, MPCA, in its sole discretion, may charge a minimum annual fee of \$2,500.

This minimum fee may have the effect of making MPCA's services cost prohibitive for certain clients. MPCA, in its sole discretion, may waive its minimum annual fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and pro bono activities.

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

### **Methods of Analysis**

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MPCA utilizes a combination of fundamental, technical and cyclical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For MPCA, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not

help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that MPCA will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that MPCA is recommending. The risks with cyclical analysis are similar to those of technical analysis.

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## **Investment Strategies**

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MPCA believes that asset allocation is the primary driver of risk and return in constructing an investment portfolio. The Firm utilizes and implements two levels of asset allocation.

The first is strategic asset allocation. MPCA believes that strategic asset allocation is the minimum required to manage a portfolio. It is the process of dividing up the allocation “pie”, then periodically rebalancing to keep the asset allocation in line.

Next is tactical asset allocation, where the fundamental, technical and cyclical methods of analysis outlined above are employed as an overlay in an attempt to add value to and complement traditional strategic asset allocation. The Firm views tactical asset allocation as a pendulum that moves back and forth around the plumb line or middle point of strategic asset allocation. This is a continuous process that requires regular evaluation and adjustment of the portfolio as needed.

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## **Risks of Loss**

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### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

### *Market Risks*

The profitability of a significant portion of MPCA's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that MPCA will be able to predict those price movements accurately.

### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

### *Equity-Related Securities and Instruments*

The Firm may take long and short positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

### *Fixed Income Securities*

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more

frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Digital Asset Risk*

From time-to-time, and only where suitable for clients, we may recommend investments in certain digital currencies, including, without limitation, Bitcoin, Ethereum, Litecoin, and others (collectively, "Cryptocurrency"). Where exposure to this asset class is appropriate, we will typically, if not exclusively, obtain such exposure through purchases and sales of ETFs and other publicly traded securities.

Investment in Cryptocurrency involves an extremely high degree of risk and is more speculative than an investment in publicly-traded securities like stocks, bonds, mutual funds, and ETFs. Unlike the market valuations of publicly-traded stocks and bonds which can be objectively valued on the basis of the issuer's assets, income, debts, liabilities, operations, history of credit-worthiness and other factors, prices of Cryptocurrency are based entirely on the market's perception of value and are subject to rapid changes in market sentiment. Accordingly, Cryptocurrency is subject to an extremely high level of price volatility, including "flash crashes," and may lose significant value in a matter of minutes, hours, or days. It is not uncommon for the value of Cryptocurrency to move as much as twenty percent (20%) or more in a single day. The ownership of particular Cryptocurrency is opaque and therefore certain Cryptocurrency may be owned and controlled by relatively small number of individuals, increasing the potential for fraud and market-manipulation such as pump-and-dump schemes and other fraudulent criminal schemes.

Evaluation and understanding of the features, functions, and other properties of Cryptocurrency requires a high level of technical knowledge and sophistication. The market for Cryptocurrency is in its infancy, is rapidly evolving, and its future is unknown. Governments and central banks do not create, sponsor, support, back, insure, or control Cryptocurrencies and there is no guarantee of their future viability as a store of value or a means of exchange. Federal, state, or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the United States is still developing. Cryptocurrency is not legal tender in most jurisdictions, including the United States. No laws require individuals or businesses to accept Cryptocurrency as a form of payment and Cryptocurrency does not have any intrinsic value. Its value derives entirely from market forces of supply and demand.

Cryptocurrency exchanges and other trading venues on which Cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives, and other currencies. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers, or malware. Due to

relatively recent launches, most Cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, Cryptocurrency transactions are irreversible, such that an improper transfer can only be reversed by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the sender.

Accordingly, investment in Cryptocurrency is not appropriate for all investors and you should only invest “risk capital” in such asset class (e.g., funds, the complete and total loss of which, would have insubstantial effect on your overall financial circumstances and financial goals).

## **Item 9 – Disciplinary Information**

MPCA has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Registered Representatives of a Broker/Dealer**

Certain of the Firm’s *Supervised Persons*, in their individual capacities, are registered representatives of *PKS* and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### **Licensed Insurance Agents**

Certain of MPCA’s *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a fully-disclosed commission basis. A conflict of interest exists to the extent that MPCA recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation. As a result MPCA has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of its clients.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading**

MPCA has adopted a code of ethics in compliance with applicable securities laws (“*Code of Ethics*”) that sets forth the standards of conduct expected of its *Supervised Persons*. MPCA’s *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any

of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of MPCA's personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, MPCA *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by open-end mutual funds, exchange traded fund sponsors, or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more open-end mutual funds.

Clients and prospective clients may contact MPCA to request a copy of its *Code of Ethics*.

## Item 12 – Brokerage Practices

MPCA generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services and Schwab Institutional, herein referred to as ("*Custodians*") for investment management accounts.

Factors which MPCA considers in recommending the *Custodians* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The *Custodians* enable MPCA to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The

commissions and/or transaction fees charged by *Custodians* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by MPCA's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to affect the same transaction where MPCA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. MPCA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

MPCA periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct MPCA in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by MPCA (as described below). As a result, the client may pay higher transaction costs (e.g., brokerage commissions or spreads) or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, MPCA may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be affected independently, unless MPCA decides to purchase or sell the same securities for several clients at approximately the same time. MPCA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among MPCA's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among MPCA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that MPCA determines to aggregate client orders for the purchase or sale of securities, including securities in which MPCA's *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. MPCA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small



percentage of the order is executed, shares will be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when such account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares will be reallocated to other accounts (this will be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations will be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, MPCA will exclude the account(s) from the allocation; the transactions will be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares will be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker- dealers in return for investment research products and/or services which assist MPCA in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because MPCA does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

MPCA may receive from *Custodians*, without cost to MPCA, computer software and related systems support, which allow MPCA to better monitor client accounts maintained at *Custodians*. MPCA may receive the software and related support without cost because MPCA renders investment management services to clients that maintain assets at *Custodians*. The software and support are not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit MPCA, but not its clients directly. In fulfilling its duties to its clients, MPCA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that MPCA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence MPCA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, MPCA may receive the following benefits from *Custodians* through its institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

## **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain of MPCA's *Supervised Persons* in their respective individual capacities are registered representatives of *PKS*. These *Supervised Persons* are subject to FINRA Rule 3280 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *PKS* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *PKS* if they have not secured written consent from *PKS* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *PKS*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *PKS* under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

## **Brokerage for Client Referrals**

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MPCA does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the *Financial Institutions* or other third party.

## **Item 13 – Review of Accounts**

### **Account Reviews**

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MPCA monitors its clients' investment portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. For those clients to whom MPCA provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Firm's investment adviser representatives. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. In addition, all clients are encouraged to discuss their needs, goals, and objectives with MPCA and to keep the Firm informed of any changes thereto.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time to time or as otherwise requested, clients may also receive written or electronic reports from MPCA and/or an outside service provider, which contain certain account and/or market-related information. Clients should compare the account statements they receive from any such *Financial Institutions* with those they may receive from MPCA or an outside service provider.

In addition, those clients to whom MPCA provides financial planning and/or consulting services will receive reports from MPCA summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by MPCA.

## Item 14 – Client Referrals and Other Compensation

### Client Referrals

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MPCA may enter into promoter agreements where we compensate current clients and other third parties (“Promoters”) in exchange for referring prospective clients to our firm for our investment advisory services. Promoters introducing clients to us may receive cash compensation from us that may take the form of a retainer, a fee per referral, and/or a percentage of the advisory fees paid by clients introduced to our firm. These fees may be paid to the Promoter by MPCA on a one-time or recurring basis. Unless otherwise explicitly disclosed in writing to the client, the cost of any fees paid to a Promoter will be borne entirely by MPCA meaning that referred clients do not pay any additional or increased costs as a result of having been referred to our firm by a Promoter.

We will only retain Promoters or others disseminating endorsements or testimonials on behalf of our firm in accordance with the requirements of SEC Rule 206(4)-1, promulgated under the Investment Advisers Act of 1940. In all cases, the existence of any solicitor or promoter relationships affecting your engagement of our firm, the material terms of any compensation we pay such persons to solicit or promote our firm and our services, and any resulting conflicts of interest will be disclosed to you no later than the time you are referred to our firm for services.

### Other Economic Benefits

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MPCA is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

## Item 15 – Custody

MPCA's *Agreement* and/or the separate agreement with any *Financial Institution* generally authorize MPCA through such *Financial Institution* to debit the client's account for the amount of MPCA's fee and to directly remit that fee to MPCA in accordance with applicable custody rules. Additionally, MPCA has the ability to disburse or transfer certain funds to third parties pursuant to Standing Letters of Authorization executed by clients.

The *Financial Institutions* recommended by MPCA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to MPCA. In addition, as discussed in Item

13, MPCA also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from MPCA.

MPCA shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the *Custodian* or any acts of the agents or employees of the *Custodian* and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the *Custodian*. The client understands that SIPC provides only limited protection for the loss of property held by a *Custodian*.

## Item 16 – Investment Discretion

In most circumstances, MPCA is given the authority to exercise discretion on behalf of clients. MPCA is considered to exercise investment discretion over a client’s account if it can affect transactions for the client without first having to seek the client’s consent. MPCA is given this authority through a limited power-of-attorney included in the agreement between MPCA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). MPCA takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

## Item 17 – Voting Client Securities

MPCA is required to disclose if it accepts authority to vote client securities. MPCA does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

## Item 18 – Financial Information

MPCA is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and

- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.