

**Item 1: Cover Page
Part 2A of Form ADV: Firm Brochure
March 2024**



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This brochure provides information about the qualifications and business practices of Kondo Wealth Advisors, Inc. ("KWA"). If you have any questions about the contents of this brochure, please contact by telephone at 626-449-7783 or info@kondowealthadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about KWA also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of KWA and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

Item 2: Material Changes

KWA is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update.

Since the last annual amendment filed on 03/13/2023, the following changes have been made:

Our firm utilizes the sub-advisory services of third party money manager to aid in the implementation of an investment portfolio designed by our firm. Please see Item's 4 & 5 for additional information.

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Item 4: Advisory Business

Our firm specializes in Portfolio Management and Financial Planning & Consulting. We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a C-Corporation formed in the State of California. Our firm has been in business as an investment adviser since 2001 and is owned wholly by Mrs. Akemi Dalvi.

Types of Advisory Services We Offer

Portfolio Management:

As part of our Portfolio Management services, clients may be provided with standalone asset management or a combination of asset management and financial planning or consulting services. Financial planning and consulting services are separate from our fee schedule for Portfolio Management (please see *Item 5* for more information about our fees). This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Financial consultations will not be accompanied by a written summary of observations and recommendations as the process is less formal than the planning service. Our firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client that may consist of individual stocks, bonds, Exchange Traded Funds (“ETFs”), options, mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client’s individual needs, stated goals and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

Our firm utilizes the sub-advisory services of third party investment advisory firms or individual advisors to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure that the chosen party is properly licensed or registered. Our firm will not offer advice on any specific securities or other investments in connection with this service. We will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of third party money managers, our firm will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our firm will periodically review third party money managers’ reports provided to the client at least annually. Our firm will contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

Financial Planning & Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other types of clients regarding the management of their financial resources based upon an analysis of the

client's current situation, goals, and objectives. This analysis will generally result in either our firm preparing a financial plan or our firm rendering a financial consultation. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Personal Tax Planning, Insurance Analysis, Business and Personal Financial Planning.

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

Tailoring of Advisory Services

We offer individualized investment advice to clients subscribing to our Portfolio Management service. Additionally, we offer general investment advice to clients subscribing to our Financial Planning and Consulting service and referrals to third party money managers. Each Portfolio Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs

We do not offer wrap fee programs.

Regulatory Assets Under Management¹

As of December 31, 2023, we manage \$263,809,037 on a discretionary basis and \$0 on a non-discretionary basis.

Item 5: Fees & Compensation

How We Are Compensated for Our Advisory Services

Portfolio Management:

¹ Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "client assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

| Assets Under Management | Annual Percentage of Assets Charge |
|--------------------------------|---|
| First \$0 - \$250,000 | 1.50% |
| Next \$250,001 - \$1,000,000 | 1.25% |
| Next \$1,000,001 - \$2,000,000 | 1.00% |
| Next \$2,000,001 - \$5,000,000 | 0.75% |
| Over \$5,000,000+ | 0.50% |

Our firm's annualized fees are billed on a pro-rata basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees will be adjusted for deposits and withdrawals made during the quarter and will be deducted from your managed account. Our firm bills on cash balances unless otherwise agreed in writing. However, legacy clients may be offered discounts based on the terms of previously executed agreements. As part of this process, clients are made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

The maximum annual fee charged to clients utilizing third party money managers will not exceed the maximum fee published above for this service. Our firm will debit fees for this service as disclosed in the executed advisory agreement between the client and our firm. This fee shall be in addition to any fees assessed by the chosen third party money manager. The third-party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them. Third party money managers establish and maintain their own separate billing processes over which we have no control. They will directly bill you and describe how this works in their separate written disclosure documents.

Financial Planning & Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. Our hourly rate will not exceed \$495. Flat fees will not exceed \$20,000. The total estimated fee, as well as the ultimate fee that we charge you, is negotiable and is based on the scope and complexity of our engagement with you. Our annual renewal fee will not exceed \$750. The plan and renewal fees shall only be negotiable in the event the client executes a Portfolio Management Agreement **and** invests \$1,000,000 or more with our firm within one year of executing a Financial Planning and Consulting Agreement. In all other situations, the renewal fee is generally not negotiable. Prior agreed to annual renewal rates have been grandfathered in. Payment of fees will be due following the delivery of a financial plan or consultation. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months. Upon client request, our firm will agree to directly invoice a client to allow them to pay our firm's fees for this service via check or via an approved secure money sending application(s).

Other Types of Fees & Expenses

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. However, it is important to note that the custodian we generally recommend, Charles Schwab & Co., Inc. ("Schwab") as well as other custodians that we work with in limited situations including, but not limited to, Pershing Advisor Solutions, LLC and Fidelity (Schwab and other custodians shall be collectively referred to as "Custodians"), do not charge transaction fees for U.S. listed equities and exchange traded funds. Clients may also pay charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses). Our firm does not receive a portion of these fees.

As part of our Portfolio Management service, clients may be invested in SA Funds – Investment Trust ("SA Funds"), a family of ten asset class mutual funds advised by Buckingham Strategic Partners. KWA and Buckingham Strategic Partners are unaffiliated firms. Buckingham Strategic Partners receives management, administration and shareholder servicing fees that are separate from each of the SA Funds described in the SA Funds' prospectus. Clients may also be invested in other mutual funds or Exchange Traded Funds (ETFs), (collectively, "DFA Funds") managed by Dimensional Fund Advisors, Inc. ("DFA"), or equities managed by other third party investment advisers that is unaffiliated with KWA and Buckingham Strategic Partners. DFA acts as a sub-adviser for 9 out of 10 of the SA Funds, from which DFA receives sub-advisory fees. The 10th SA Fund, SAWMX, does not utilize any sub-advisor. Our firm does not receive a portion of these fees. Clients will be provided with a copy of the applicable SA Fund and/or DFA Funds' documents prior to investing. These factors present a conflict of interest, as it provides incentive for Buckingham Strategic Partners to recommend the purchase of SA Funds and DFA Funds rather than other similarly-situated mutual funds. KWA will always act in the client's best interest when recommending a certain asset allocation. Clients are, however, under no obligation to approve the recommended asset allocations.

Our firm utilizes the services of approved secure money sending application(s) for our Financial Planning & Consulting clients. These approved secure money sending application(s) allow our firm to invoice clients directly utilizing credit card or ACH payment methods. Clients may pay additional fees for these payment methods that our firm has no discretion over and does not receive a portion of. These fees are separate from and in addition to our advisory fees.

Termination & Refunds

We charge our advisory fees quarterly in advance. Either party may terminate the advisory agreement signed with our firm for our Portfolio Management Service in writing at any time. Upon notice of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Commissionable Securities Sales

We also sell securities for a commission. In order to sell securities for a commission, our supervised persons are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), member

FINRA/SIPC. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service (“trail”) fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities:

- 1) Presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise when explaining to clients that commissionable securities sales create an incentive to recommend products based on the compensation, we and/or our supervised persons may earn and may not necessarily be in the best interests of the client; or when recommending commissionable mutual funds, explaining that “no-load” funds are available through our firm if the client wishes to become an investment advisory client.
- 2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.

Item 6: Performance-Based Fees & Side-By-Side Management

We do not charge performance fees to our clients.

Item 7: Types of Clients & Account Requirements

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Corporations, limited liability companies and/or other business types

Below are our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$500,000 for our Portfolio Management service. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client’s relationship with our firm.
- We generally charge a minimum fee of \$4,750 for written financial plans, as well as an annual renewal fee of \$750 dollars for ongoing Financial Planning & Consulting clients. If a client invests \$1,000,000 (or more) with our firm within one year of executing a Portfolio Management Agreement, the \$4,750 written financial planning fee & \$750 annual renewal fee will be waived.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

Cyclical Analysis: Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

Fundamental Analysis: The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. This method examines a company's earnings to assist in the evaluation of a company's intrinsic value. Risks include overreliance on historical data and reliance on wrong data if reported incorrectly by a company.

Investment Strategies We Use

Long-Term Purchases: Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm makes a decision to sell.

Short-Term Purchases: When utilizing this strategy, our firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm does this in an attempt to take advantage of conditions that our firm believes will soon result in a price swing in the securities our firm purchase.

Exchange Traded Funds ("ETFs"): An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. The vast majority of ETFs are designed to track an index, so their performance is close to that of an index mutual fund, but they are not exact duplicates. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they can be bought and sold on a stock exchange throughout the trading day. Because ETFs trade like stocks, you can place orders just like with individual stocks - such as limit orders, good-until-canceled orders, stop loss orders etc. They can also be sold short. Traditional mutual funds are bought and redeemed based on their net asset values ("NAV") at the end of the day. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. However, arbitrageurs will ensure that ETF prices are kept very close to the NAV of the underlying securities. Although an investor can buy as few as one share of an ETF, most buy in board lots. Anything bought in less than a board lot will increase the cost to the investor. Anyone can buy any ETF no matter where in the world it trades. This provides a benefit over mutual funds, which generally can only be bought in the country in which they are registered.

Mutual Funds: A mutual fund is a company that pools money from many investors and invests that money in a variety of differing security types based on the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares are the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which is calculated daily after market close.

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

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

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

Mrs. Dalvi is a registered representative with PKS, a registered broker-dealer and Member FINRA/SIPC. KWA is not affiliated with PKS. In order to comply with FINRA Conduct Rule 3040, PKS as an unaffiliated broker-dealer may periodically review the investment advisory transactions of KWA. This information will be viewed by PKS' compliance department personnel for supervisory purposes only. No information viewed will be utilized for purposes of solicitation or shared with any affiliation outside the scope of regulatory compliance. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation the adviser and/or our supervised persons may earn. Clients are under no obligation to utilize this service.

Our representatives are licensed with several life and long term care insurance companies. The representatives are therefore able to create a more comprehensive strategy to achieve our clients' long term goals. Representatives may recommend insurance products offered by these companies. If our client purchases these products, we will receive the normal commissions. Thus, a potential conflict of interest exists between the firm's interests and those of the firm's advisory clients. Clients are under no obligation to utilize this service.

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

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are

similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts². In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics.

Furthermore, related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

Item 12: Brokerage Practices

Selecting a Brokerage Firm

While we do not maintain physical custody of client assets, we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts (see *Item 15 Custody*, below). Client assets must be maintained by a qualified custodian. We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

² For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, our firm has an arrangement with Custodians who are registered broker-dealers, Members SIPC, to maintain custody of client assets and to effect trades for their accounts. Although our firm recommends Custodians, it is the client's decision to custody assets with Custodians. Our firm is independently owned and operated and is not affiliated with Custodians. The Custodians generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Custodians or that settle into Custodian's accounts. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client's custodial account. Transaction fees are negotiated with Custodians and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

Our firm also utilizes the services of Buckingham Strategic Partners, Envestnet, and other independent third-party account administrators. Collectively Custodians, Buckingham Strategic Partners, Envestnet, and other independent third-party account administrators shall be referred to as "Service Providers". The Service Providers offer independent investment advisers non-soft dollar services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some non-soft dollar benefits from the Service Providers through our participation in the program.

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

The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed, we may have an incentive to continue to use or expand the use of the Service Providers' services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with the Service Providers and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

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

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

Soft Dollars

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

Client Brokerage Commissions

Our firm does not receive brokerage commissions generated by client transactions available for our firm's use.

Procedures to Direct Client Transactions in Return for Soft Dollars

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

Brokerage for Client Referrals & Directed Brokerage

Our firm does not receive brokerage commissions for client referrals.

Further, our firm and our related persons do not have discretionary authority in making the determination over the broker-dealers and/or custodians whom client orders for the purchase or sale of securities placed for execution, as well as the commission rates at which such securities

transactions are effected. This is entirely the client's decision. However, our firm routinely requests that clients direct us to execute through a specified broker-dealer and/or custodian. Our firm recommends the use of Service Providers. Each client will be requested to establish their account(s) with Service Providers if not already done. Please note that not all advisers have this requirement.

Special Considerations for ERISA Clients:

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Aggregation of Purchase or Sale

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13: Review of Accounts or Financial Plans

Our management personnel or financial advisors review accounts on at least a quarterly basis for our clients subscribing to our Portfolio Management and third party money managers services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Portfolio Management and third party money managers clients are contacted.

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

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal

updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Item 14: Client Referrals & Other Compensation

Fidelity/Pershing Advisor Solutions, LLC

Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose regarding either Fidelity or Pershing Advisor Solutions, LLC.

Schwab

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

Client Referrals

In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm does not provide cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals).

Item 15: Custody

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below in the next paragraph.

All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

Item 17: Voting Client Securities

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

Third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event third party money managers votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by third party money managers), our firm and/or the client shall instruct the qualified custodian to forward copies of all proxies and shareholder communications relating to the client's investment assets.

Item 18: Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities, except in the deduction of advisory fees, under the conditions of the SEC's no-action letter with respect to the Rule 206(4)-2 under the Investment Advisers Act of 1940. For more information about this please see *Item 15* (above).
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.