



**BENCHMARK**  
**PRIVATE WEALTH MANAGEMENT**

**Benchmark Private Wealth  
Management, LLC**

**IARD#170525**

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**Form ADV Part 2A**

**Firm Brochure**

**March 15, 2019**

This Brochure provides information about the qualifications and business practices of Benchmark Private Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (214) 474-2190. 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.

Benchmark Private Wealth Management, LLC is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

Additional information about Benchmark Private Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2

# Material Changes

### Material Changes since the Last Update

Benchmark Private Wealth Management, LLC has had the following material changes since its last annual updating amendment filed on March 26, 2018:

- Our investment adviser representatives are no longer registered representatives of a broker-dealer.

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## Advisory Business

### FIRM INFORMATION

Benchmark Private Wealth Management, LLC (“BPWM,” “we,” “us,” “our”), a limited liability company formed in February 2014, is a registered investment advisory firm located in Dallas, Texas.

### PRINCIPAL OWNERS

BPWM is a subsidiary of Benchmark Bank. Our Managing Director is Wayne C. McCullough, CFP®, and Rawles Bell serves as our Chief Compliance Officer.

### INVESTMENT ADVISORY SERVICES

#### Asset Management Services:

We provide asset management services in which we manage your custodial accounts and provide you with continuous and ongoing supervision of your custodial accounts. Our services provide additional investment opportunities among stocks, bonds, mutual funds, exchange-traded funds (ETFs), Real Estate Investment Trusts (REITs), options, and additional securities.

#### Financial Planning and Consulting Services:

We provide various financial planning and consulting services that find ways to help you understand your overall financial situation and help you set financial objectives. We accomplish this by helping you review your financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives. Generally, such financial planning and consulting services will involve preparing a financial plan or rendering a financial consultation based on your financial goals and objectives. We will summarize our services to you in a written plan which will typically include general recommendations for a course of action or specific actions to be taken by you. Implementation of the recommendations will be at your discretion. We provide our financial planning and consulting services on either a project basis or as an ongoing annual service.

#### Retirement Plan Consulting Services:

We provide advisory services to plan sponsors of employer-sponsored retirement plans for which it has been specifically engaged, in addition to supporting affiliated companies through other non-advisory services to retirement plans for corporations and other business entities either as a 3(21) or a 3(38) fiduciary. Such advisory services can include selection and/or de-selection and replacement of individual investment options pursuant to agreed investment criteria.

In choosing and monitoring investment options for employer-sponsored retirement plans, we look for reliable fund companies that have a consistent track record and steady performance. Once a fund company is identified for possible selection for a particular retirement plan product, we conduct an in-depth review of the company’s operations, funds, and personnel before determining if the company’s funds are investment options. Quantitative and qualitative factors such as regional exposure, fund management, and asset size/growth are also evaluated. The fund companies are monitored on a continuous basis at the firm level. We will assist in the construction of the portfolio by ensuring all core asset classes are covered to offer full diversification opportunities. However, the final decision of which funds to select is up to the plan sponsor and/or consultant.

There may be instances in which we will enter into an agreement with a sub-advisor who will provide 3(21) or 3(38) fiduciary services to the plan. In those instances, in which we have entered into an agreement with a subadvisor to provide 3(21) fiduciary services, we will monitor the performance of the subadvisor and the products made available to the plan. We will also make recommendations to change the subadvisor or products made available to the plan, if necessary. The Retirement Plan Advisory and Consulting Agreement will further describe the 3(21) or 3(38) fiduciary services that will be provided by BPWM and/or a subadvisor.

**Third Party Money Management Services:**

We may recommend third-party money managers (“TPMMs”) to manage part or the client’s entire portfolio. TPMMs may be recommended when the TPMMs’ philosophy, investment strategy, and style meets the client’s financial situation, investment objectives, and risk tolerance. The asset management services provided by the TPMMs, the compensation to be paid, and other terms of the relationship between the client and the TPMMs will be described in the TPMMs’ disclosure documents and its managed account agreement. We will receive a portion of the investment advisory fee paid by the client to the TPMMs.

**CLIENT INVESTMENT OBJECTIVES/RESTRICTIONS**

BPWM offers the same suite of services to all our clients. However, specific client financial plans and their implementation are dependent upon the individual client’s Investment Policy Statement which outlines a client’s current financial situation such as income, net worth and risk tolerance levels. This information is essential in the development of a client-specific plan in the selection of investments that matches restrictions, needs, and targets. On a case by case basis, our clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client’s account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship. We may request additional information and documentation such as current investments, tax returns, insurance policies, and estate plan. We will discuss your investment objectives, needs, and goals, but you must inform us of any changes. Unless directed by you, we do not independently verify any information provided to us by you or your attorney, accountant or other professionals.

**WRAP FEE PROGRAMS**

BPWM does not participate in, recommend, or offer wrap fee programs.

**ASSETS UNDER MANAGEMENT**

As of December 31, 2018, BPWM managed \$153,165,922 on a discretionary basis and \$45,807,503 on a non-discretionary basis.

**ITEM 5**

**Fees and Compensation**

**ANNUAL FEES FOR ADVISORY SERVICES**

BPWM is compensated for providing asset management services by charging a negotiable fee based on the total assets under management. The fees and billing will be pre-determined in writing in the Investment Advisory Agreement executed by you and BPWM.

The fees charged for financial planning services are negotiable and vary depending on the complexity of the process undertaken, the types of issues addressed, the scope of services provided and the frequency

with which the services are rendered. All fees are agreed upon before entering into the Financial Planning and Consulting Agreement you sign.

Fees for retirement plan services are negotiated before the signing of the Retirement Plan Advisory and Consulting Agreement. The agreement language includes the negotiated fee, which will be charged as a percentage of the total retirement plan assets.

The below ranges are the standard fee ranges that are typically charged. We may waive the agreed upon financial planning fees if you engage our asset management services.

Asset Management Fee Schedule	
\$0 - \$1,000,000	Up to 1.50%
\$1,000,001 - \$5,000,000	0.80% – 1.25%
\$5,000,001 - \$20,000,000	0.30% - 0.80%
\$20,000,000 +	Negotiable

Financial Planning and Consulting Fee Schedule	
Hourly	\$100 - \$500 per hour
Annual Fixed Fee	\$1,000 - Minimum

Retirement Plan Advisory and Consulting Fee Schedule	
Percentage of Plan Assets	Up to 0.50%

## FEE BILLING & PAYMENT

Our asset management fees are annual fees and may be negotiable. Asset management fees are paid quarterly in advance. Payments are due on the first day of the calendar quarter and are based on the account's asset value as of the last business day of the prior calendar quarter multiplied by the applicable annual rate and divided by four (4). The fee for the subsequent quarter is billed and payable within ten (10) days after the end of the prior quarter, based on the value of Client's account on the last business day of that quarter. We will deduct our asset management fee only when in receipt of your written authorization by executing an investment advisory agreement permitting the fees to be paid directly from your account. The qualified custodian will deliver an account statement to you at least quarterly which will show all disbursements from your account. We urge you to review all statements for accuracy. Your account at the custodian may also be charged for certain additional assets managed for you by us but not held by the custodian (i.e., variable annuities, mutual funds, 401(k)s).

Financial planning and consulting fees may be assessed on an hourly basis or as an annual retainer fee. Hourly fees, project fees, and retainer fees are charged in advance and are non-refundable. In the event that you cancel the Financial Planning and Consulting Agreement, you will be responsible for the actual

hours spent preparing the financial plan, up to the cancellation date, at the agreed upon hourly rate. A deposit of 50% of the fee is due at the time the agreement is signed. The remainder of the fee is due upon presentation of an investment plan or the rendering of consulting services. Investment plans will be presented to you within 90 days of the contract date, provided that all information needed to prepare the investment plan has been promptly provided to us. We will not require a fee of \$1200 or more to be paid 6 months or more in advance. Financial planning and consulting fees are paid via check or by direct invoicing via electronic payment processor.

Retirement plan consulting fees will generally be billed on a monthly basis, in arrears, and due within thirty (30) days after the date of invoice, unless otherwise agreed to by the parties. The fee will either be billed directly to the plan sponsor or paid directly from the plan assets if authorized by the plan fiduciary.

In TPMM accounts, the adviser deducts the advisory fee from the client's account and then will forward a portion of the fee to our firm. We urge our clients to refer to the selected TPMM's disclosure documents for exact fees and expenses charged by each such TPMM, as well as minimum account requirements, refund, and termination provisions. A complete description of each program can be found in disclosure materials prepared by the TPMM, which we will provide to the client at the time we recommend the program.

You are responsible for all third-party fees (i.e., custodian fees, mutual fund fees, transaction fees, etc.). These fees are separate and distinct from the fees and expenses charged by BPWM.

## **TERMINATION OF AGREEMENT**

Either party may terminate the investment advisory agreement by providing 30-day advance written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable up to and including the effective date of termination.

Notwithstanding the above, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory contract with this us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the contract.

## **OTHER EXPENSES AND FEES**

The fees discussed above include payment solely for the investment advisory services provided by us and are separate to certain fees or charges that are imposed by third parties in connection with investments made on your behalf for your account. Third-party fees may include markdowns, markups, brokerage commissions, other transaction costs and/or custodial fees.

## **OTHER COMPENSATION**

Certain of our associated persons are also licensed insurance agents. In this capacity, the IARs may recommend insurance, advisory, or other products, and receive normal insurance commissions if products are purchased through the IAR(s) in this capacity. Thus, a conflict of interest exists between the interests of these individuals and those of the advisory clients, creating an incentive for the IAR(s) to recommend products based on the compensation received, rather than on a client's needs. However, clients are under no obligation to act upon any of these recommendations. Although our recommendations may include products offered by third parties, these recommendations are not limited to such products as all financial

planning advice provided is of a generic nature. Clients have the option to purchase insurance products recommended by the IAR through other agents not affiliated with our firm. Please refer to Item 10 of this Brochure for a more detailed explanation of how our firm handles and mitigates these conflicts of interest.

## ITEM 6

### Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees which are fees based on a share of capital gains on or capital appreciation of your assets.

## ITEM 7

### Types of Clients

We provide our investment advisory services to:

- Individuals
- High Net Worth Individuals
- Pension and profit-sharing plans
- Retirement Plans
- Plan Advisors
- Trusts
- Estates
- Charitable Organizations and Endowments
- Corporations and Other Business Entities

Our minimum account size requirement is \$500,000 which may be negotiable based upon certain circumstances.

## ITEM 8

### Methods of Analysis, Investment Strategies, and Risk of Loss

#### METHODS OF ANALYSIS

We use various methods of analysis and investment strategies including the following:

**Fundamental Analysis** – We evaluate economic and financial factors to determine if a security may be underpriced, overpriced or fairly priced. This method entails assessing a security by attempting to determine its intrinsic value by examining related financial, economic, and other qualitative and quantitative factors. Fundamental analysis requires an in-depth look at all factors that can affect the security's value, from macroeconomic factors (like the overall economy and industry conditions) to individually specific factors (like the financial situation and management of companies). The overall objective of performing the fundamental analysis is to determine a value that an investor can use to determine what sort of position to take with that security. This method of security analysis is contrary to technical analysis. Fundamental analysis involves using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.



**Modern Portfolio Theory** - Modern portfolio theory (MPT) is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

## INVESTMENT STRATEGIES

When formulating investment advice or managing client assets, we will use the following investment strategies. There are inherent risks associated with each of these strategies.

**Long-Term Strategy** - A long-term strategy may not take advantage of short-term gains or may experience more volatility over the life of the portfolio.

**Short-Term Strategy** - A short-term strategy may incur more trading and brokerage costs and runs the risk that certain anticipated market movements do not occur resulting in the client holding a security for longer than intended.

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment management agreement.

## POTENTIAL RISKS

Investing involves different levels of risk that can result in loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot guarantee that our efforts will be successful. Investing in securities involves the risk of loss clients should be prepared to bear.

**Investing involves the assumption of risk including:**

**Financial Risk:** which is the risk that the companies we recommend to you perform poorly, which affect the price of your investment.

**Market Risk:** which is the risk that the stock market will decline, decreasing the value of the securities we recommend to you with it.

**Inflation Risk:** which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.

**Political and Governmental Risk:** which is the risk that the value of your investment will be affected by the introduction of new laws or regulations.

**Interest Rate Risk:** which is the risk that the value of the investments we recommend to you will fall if interest rates rise.

**Call Risk:** which is the risk that your investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Default Risk:** which is the risk that issuer is unable to pay the contractual interest or principal on the investment promptly or at all.

**Manager Risk:** which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.

**Industry Risk:** which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.

## ITEM 9

### Disciplinary Information

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There has been no disciplinary, legal, or regulatory events related to us or any of our management persons.

## ITEM 10

### Other Financial Activities and Affiliations

#### FINANCIAL INDUSTRY ACTIVITIES

Neither BPWM nor its management persons are registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither BPWM nor its management persons are registered or has an application pending to register as a futures commission merchant, commodity pool operator or commodity trading advisor.

#### AFFILIATIONS

Wayne C. McCullough, CFP® and Rawles F. Bell are also insurance agents licensed to sell insurance products. A conflict of interest exists in that these services pay a commission which conflicts with the IAR's fiduciary duties. BPWM does not require its IARs to encourage clients to implement investment advice through our insurance product recommendations. Clients have the right to implement insurance product recommendations through the insurance agency and agent of their choice. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose that the client has the right to purchase recommended products from individuals not affiliated with us.

BPWM is a subsidiary of Benchmark Bank. Given this relationship, a conflict of interest exists wherein there may be an incentive for our IARs to recommend Benchmark Bank for banking services and/or products. As such, we require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose that the client has the right to purchase recommended products from other banks not affiliated with us.

#### SELECTION OF OTHER INVESTMENT ADVISERS

We may recommend or select TPMMs for our clients and receive compensation from the third-party via a fee share; thus, a material conflict of interest exists between our interests, and those of our clients in that BPWM has an incentive to direct clients to TPMMs that provide us with a larger fee split. BPWM will always act in the best interest of our clients when making recommendations or selecting TPMMs. The client always has the right to decide whether to act on our recommendations and whether to utilize the services of the recommended TPMM. The client always has the right to utilize the professional of his or her choice. All TPMMs will be properly licensed and registered as investment advisers in the proper jurisdictions. The fees shared will not exceed any limit imposed by any regulatory agency.

**ITEM 11**

## **Code of Ethics, Participation in Client Transactions and Personal Trading**

### **CODE OF ETHICS**

BPWM has developed a code of ethics that will apply to all of our supervised persons. We and our IARs must act in a fiduciary capacity when providing investment advisory services to you. 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. BPWM has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our code of ethics, which also covers our 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 acknowledge that they have read, understand and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.

### **RECOMMENDATIONS INVOLVING A MATERIAL FINANCIAL INTEREST**

Neither we nor any related person recommend to clients, or buys or sells for clients' accounts, securities in which we or a related person has a material financial interest.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates or other clients may also have a position or interest. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

### **PERSONAL TRADING**

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements, and do not conflict with their duty to BPWM and our clients. BPWM monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as BPWM. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

**ITEM 12**

## **Brokerage Practices**

We recommend broker-dealers for our clients to use in order to custody their accounts. The firms we recommend will be independent SEC-registered broker-dealers and members of FINRA and SIPC.

As a fiduciary, we are obligated to seek out the best execution of client transactions for that accounts that we manage. In general, the execution of securities transactions is at a total cost or proceeds in each

transaction and are the most favorable under the circumstances. However, we do not limit the best execution to the lowest available price. Additional factors are taken into consideration when determining the arrangement and services in the selection of a broker-dealer or qualified custodian. Our review consists of reviewing the commission and fee structures of various broker-dealers, research platform, and execution services. Accordingly, while we do consider competitive rates, we do not necessarily obtain the lowest possible commission rates for account transactions. Therefore, the overall services provided by unaffiliated broker-dealers and qualified custodians are evaluated to determine the best execution. You may pay trade execution charges and higher commissions through the trading platforms approved by us than through platforms that have not been approved by us.

### **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

We receive soft dollar benefits in that certain custodians may make available to us other products and services such as trade execution software, investment research, pricing information, market data, recordkeeping, publications, and conferences in return for effecting transactions through them. Such arrangements will be pursuant to Section 28(e) of the Securities and Exchange Act of 1934 and are available to all of retail and professional clients of the custodians on an unsolicited basis.

### **BROKERAGE FOR CLIENT REFERRALS**

We do not receive client referrals from broker-dealers.

### **DIRECTED BROKERAGE**

Clients will be permitted to select any broker-dealer of their choosing. In these situations, we may be unable to achieve most favorable execution for client transactions. Directing brokerage may cost clients more money in that the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

### **TRADE AGGREGATION**

We attempt to allocate trade executions in the most equitable manner possible, taking into consideration current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation. We may aggregate orders in order to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients' differences in prices and commission or other transaction costs. In aggregated orders, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

We do not accept trading authorization with respect to any participant's plan account.

## **ITEM 13 Review of Accounts**

### **PERIODIC REVIEWS**

We conduct account review no less than annually. These accounts will be reviewed by our Chief Compliance Officer, Rawles Bell. Accounts are reviewed to evaluate asset allocation, investment strategy and objectives, cash balance, and performance as well as the general economic outlook and current investment trends.

## REVIEW TRIGGERS

We conduct periodic reviews to evaluate current market, economic and political events and how these may affect client accounts. Additional reviews may be triggered by these events or by events in the client's financial or personal status.

## REGULAR REPORTS

Asset management clients will receive advisory account reports no less than quarterly. These reports show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review the quarterly reports provided by us with those provided by their custodian and notify us of any differences. Clients are encouraged to phone or email us as often as they deem necessary to receive information regarding the investment tactics and strategies being followed.

Financial planning and consulting clients are provided a one-time written financial plan concerning their financial situation. After the presentation of the plan, there are no further reports.

Retirement plan clients may create and/or review the plan's Investment Policy Statement ("IPS"). The plan client may also receive quarterly written reports evaluating the performance of the plan's investments as well as comparing the performance thereof to benchmarks set forth in the IPS or as otherwise determined in our judgment. The information used to generate the reports will be derived from statements provided by the plan fiduciary or third party. This review will include a quantitative and qualitative analysis of investment selections included within the plan and provide third-party commentary on investment options whenever available.

### ITEM 14

## Client Referrals and Other Compensation

We do not receive any compensation for referring clients to another advisor nor do we compensate third-party solicitors.

### ITEM 15

## Custody

We are deemed to have custody of client funds and securities due to our ability to deduct management fees from clients' accounts. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

We do not have actual or constructive custody of retirement plan accounts.

### ITEM 16

## Investment Discretion

### DISCRETIONARY AUTHORITY FOR TRADING

If you are participating in our asset management services, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account and may also implement trades on a discretionary basis.

When discretionary authority is granted, we will have the limited authority to determine the type of securities to be purchased, sold or exchanged and a number of securities that can be bought, sold or exchanged for your portfolio without obtaining your consent for each transaction.

If you do not grant this limited investment discretion, your IAR will be required to contact you and get affirmation regarding our investment recommendations such as the security being recommended, the number of shares, whether the security should be bought or sold before implementing changes in your account.

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, it is critical that you respond promptly. If we do not receive a response to our request immediately, the timing of trade implementation may lead to an adverse impact where we may not achieve the optimal trading price.

On a case by case basis, you may place reasonable restrictions on the types of investments that may be purchased or sold in your account so long as the restrictions are explicitly set forth or included as an attachment to the investment advisory agreement.

#### ITEM 17

### Voting Client Securities

We do not have the authority to vote proxies as it pertains to the issuers of securities held in your account. The responsibility for voting your securities places increased liability to us and does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting your securities.

Therefore, you are responsible for voting all proxies for securities held in accounts managed by us. Typically, our qualified custodian will forward you your proxy information. Although we do not vote your proxies, you can contact us if you have a question about a particular proxy.

#### ITEM 18

### Financial Information

We are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We are currently not in, nor have been historically in a financially precarious situation or the subject of a bankruptcy petition.