

**Benefit Design Corporation**

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1-25-2011

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Benefit Design Corporation. If you have any questions about the contents of this brochure, please contact us at 804-965-0707. 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 Benefit Design Corporation is also available on the SEC's website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). The searchable IARD/CRD number for Benefit Design Corporation is CRD 108445.**

**Benefit Design Corporation is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## **Advisory Business**

Form ADV Part 2A, Item 4

### **Benefit Design Corporation – Firm Description:**

Benefit Design Corporation is a registered investment Advisory firm specializing in investment management, strategic tax planning and estate planning. We work with families, businesses, and charitable organizations to properly coordinate their financial objectives in these three areas of financial management. Benefit Design Corporation has been in business since 1990. Gary Wood, Certified Financial Planner, President and Founder of Benefit Design Corporation, and Branch Manager for Raymond James Financial Services has served the financial services industry for over 35 years.

Benefit Design Corporation is an independent, fee-based financial planning and investment management firm providing comprehensive planning solutions for individuals, families, family-owned businesses and charitable organizations. We work with clients to develop comprehensive financial plans which may include estate planning, investment management, strategic tax planning, risk management, and cash flow analysis. A standard cash flow analysis incorporates considerations for client giving goals, education planning, retirement income needs, the anticipated impact of inflation on pensions and savings accounts during retirement, and portfolio simulation analysis. Simulations of goals and asset allocations outline the historical and projected probabilities of goal attainment.

For family-owned businesses, we analyze business structure and financial commitments to determine the most tax-efficient compensation package for the business owner. We provide benefit cost analysis and business valuation services. We also help to develop timely, tax efficient business transition strategies.

Clients may purchase financial or insurance products on a commission basis through Benefit Design Corporation, or any other source. Investment Advisor Representatives are NASD Registered Representatives affiliated with Raymond James Financial Services, Inc. (RJFS). RJFS is a wholly owned subsidiary of Raymond James Financial, Inc. Investment Advisor Representatives are licensed to sell insurance and annuities through Planning Corporation of America (PCA), which is a wholly owned subsidiary of Raymond James Financial, Inc. and receive commissions on any product sold through PCA. Additionally, Advisor Representatives may receive commissions on products sold within the scope of services rendered as independent brokers for various Life and Health Insurance companies.

Benefit Design Corporation offers a fee-based Advisory service for Employer Sponsored Savings Plans. This service includes our ongoing plan asset allocation recommendations for an annual fee of no greater than ½% of plan assets.

Investment Advisor Representatives of Benefit Design Corporation are registered representative(s) of Raymond James Financial Services, Inc. (RJFS), member NASD/SIPC, which is a wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates, Inc. (member NYSE), which is also a wholly owned subsidiary of Raymond James Financial, Inc. Notwithstanding the fact that principals and associates of the Advisor may be registered representatives of RJFS, the Advisor is solely responsible for investment advice rendered. Advisory services are provided separately and independently of the Broker/Dealer.

Associated persons of Benefit Design Corporation are licensed as registered representatives to sell securities through Raymond James Financial Services, Inc. ("RJFS"), a securities broker/dealer, member NASD and SIPC. In this capacity, Independent Advisor Representatives may be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds and receive commissions for those transactions. In addition, they are involved in the sale of various insurance products. The time spent in such capacities varies from individual to individual.

Benefit Design Corporation or associated persons may buy or sell securities that are also transacted for clients. Benefit Design Corporation has adopted specific trading policies to prevent its employees and associated persons from trading ahead of client orders. Notwithstanding, certain trading policies employed by Benefit

Design Corporation may at times lead to associated persons receiving a more favorable execution when aggregated within a particular block trade.

At Benefit Design Corporation, we help our clients pursue their financial goals by developing financial plans strategically designed to meet their investment management, tax planning and retirement planning needs. We meet regularly with our client families to monitor their financial progress, to consider new goals and to discuss any pending tax law changes which may directly affect their planning strategy. Clients are under no obligation to implement any recommendation made in a written financial plan. Clients may impose restrictions on investing in certain securities or types of securities, and clients have total freedom to execute securities and/or insurance transactions with any company of their choice. Benefit Design Corporation representatives are also associated persons with Raymond James Financial Services, Inc., and it is likely that Benefit Design Corporation Independent Advisor Representatives, if asked to implement investment or insurance transactions, will recommend or use only the financial and insurance products offered by Raymond James Financial, Inc., the Broker/Dealer, and that any financial plan may be limited by such products.

Benefit Design Corporation provides Investment Advisory Supervisory services under the following wrap fee programs:

#### **PASSPORT ACCOUNT**

The PASSPORT Account ("PASSPORT") is an Investment Advisory Account, administered by Raymond James & Associates, Inc. (RJA) which offers Clients, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction. These services are offered nationwide in all fifty states, the District of Columbia and Puerto Rico.

#### **AMBASSADOR ACCOUNT**

The AMBASSADOR Account ("AMBASSADOR") is an Investment Advisory Account administered by RJA, which offers clients on a on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account.

Benefit Design Corporation's Independent Advisor Representatives (IARs) receive an annual asset based fee on wrap fee accounts. Fee schedules are presented in Form ADV Part 2A, Item 5.

Benefit Design Corporation IARs apply tactical portfolio management to all client accounts – wrap fee accounts and non-wrap fee accounts. Our tactical portfolio management measures basic supply and demand relationships between stocks, bonds and cash so that we can be responsive to market movement and volatility. All accounts at our firm receive strategic and tactical investment management.

Benefit Design Corporation IARs provide ongoing supervisory and management services for its securities portfolios. The amount of non-discretionary client assets under management as of January 25, 2011 is \$5,545,893. The amount of discretionary client assets under management as of January 25, 2011 is \$45,058,064.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

### **ASSET MANAGEMENT SERVICES**

Benefit Design Corporation provides Investment Advisory Supervisory services under the following programs:

#### **PASSPORT ACCOUNT**

The PASSPORT Account ("PASSPORT") is an Investment Advisory Account, administered by RJA, which offers Clients, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction. These services are offered nationwide in all fifty states, the District of Columbia and Puerto Rico.

Benefit Design Corporation IARs provide investment advice on a non-discretionary and discretionary basis. There is a minimum investment of \$25,000 for PASSPORT Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for PASSPORT Accounts are as follows:

#### **BLENDED RATE FEE SCHEDULE**

PASSPORT Fee Investments:

Account Value	Total Fee
First \$200,000	1.75%
Next \$300,000	1.50%
Next \$500,000	1.00%
Over \$1,000,000	1.00%
Over \$5,000,000	Negotiable

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. The Client authorizes and directs RJA as Custodian to deduct asset-based fees from the Client's account; the Client further authorizes and directs the Custodian to send a quarterly statement to the Client which shows all amounts disbursed from the Client's account, including fees paid to Benefit Design Corporation. The Client understands that the brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

<u>SECURITY TYPE</u>	<u>PROCESSING FEE</u>
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50
Options Contracts	\$50
Bonds	\$50

In addition to the foregoing transaction charge, the Client will incur a charge in the amount of \$4.00 per transaction for handling and postage charges. The Client may also incur charges for other account services provided by RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The Client Agreement may be terminated by the Client or Benefit Design Corporation at any time upon providing notice pursuant to the provisions of the Client Agreement. In the event of termination of this Agreement, Benefit Design Corporation will refund to the Client the prorated portion of the fee for the quarter of termination.

### **AMBASSADOR ACCOUNT**

The AMBASSADOR Account ("AMBASSADOR") is an Investment Advisory Account administered by RJA, which offers clients on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account.

Benefit Design Corporation IARs provide investment advice on a non-discretionary and discretionary basis. There is a minimum investment of \$100,000 for AMBASSADOR Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for AMBASSADOR Accounts are as follows: (All fees are incremental)

	<u>Advisory Fee*</u>
First \$200,000	2.00%
Next \$300,000	1.75%
Over \$500,000	1.25%

\* Minimum annual asset-based fee per Account: \$1,500

Ambassador Account clients will not pay any transaction charges, postage or handling fees for the first 50 trades per year, with the total number of transactions used being reset each year on October 1<sup>st</sup> (regardless of in what month the account was first established). This might result in a conflict of interest as it could provide an incentive for an Advisor to limit trading to no more than 50 trades during the 12 month period beginning annually on October 1<sup>st</sup>. Beginning on the 51<sup>st</sup> trade, transaction charges per trade will apply as follows\*:

<u>SECURITY TYPE</u>	<u>PROCESSING FEE</u>
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50
Options Contracts	\$50
Bonds	\$50

\*In addition to the above transaction charges, a nominal fee for postage and handling for each transaction will be assessed.

The Client may also incur charges for other account services provided by RJA not directly related to the advisory, execution and clearing services provided including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. The Client authorizes and directs RJA as Custodian to deduct asset-based fees from the Client's account. The Client further authorizes and directs the Custodian to send a quarterly statement to the Client which shows all amounts disbursed from Client's account, including fees paid to Benefit Design Corporation. The Client understands that the brokerage statement will show the amount of the asset-based fee, the value of the assets on which the fee was based, and the specific manner in which the fee was calculated.

The Investment Management Agreement may be terminated by the Client or Benefit Design Corporation at any time upon providing written notice pursuant to the provisions of the Investment Management Agreement. There is no penalty for terminating the Client's account. Upon termination, the Client will receive a refund of the portion of the prepaid asset-based fee which is not utilized. Benefit Design Corporation will not accept instructions to terminate the Agreement unless such instructions are provided in writing by the Client.

#### **ADDITIONAL DISCLOSURES ABOUT AMS PROGRAMS:**

##### **Investment of Cash Reserves**

With respect to cash reserves of Advisory Client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The custodian may change an investment option at any time by providing the Client with thirty (30) days advance written notice of such change, modification or amendment. Cash Sweep Options include the Raymond James Bank Deposit Program ("RJBDP"), the Credit Interest Program ("CIP"), the RJBDP/CIP Combo Program, Eagle Money Market Mutual Funds, and/or any combination thereof. Where an unaffiliated third party acts as custodian of account assets, the Client and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are invested automatically on a daily basis. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a Client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the Client's account.



Due to the foregoing practices, Raymond James and Associates may obtain federal funds prior to the date that deposits are credited to Client accounts and thus may realize some benefit because of the delay in investing such funds.

For further information please refer to the Cash Sweep Options disclosure statement, a copy of which is available from Benefit Design Corporation, or is available on the Raymond James public website, [www.raymondjames.com](http://www.raymondjames.com).

### **Cash Rule Conflict**

Participants in the PASSPORT and AMBASSADOR programs with cash or money market investments which exceed 20% of the total market value of client's account at the time of billing will be included for fee purposes only if the account did not exceed 20% in cash or money market investments at the end of the previous quarter. Otherwise the balance in excess of 20% will not be included in the value of the Client's account for fee purposes. This fee billing provision is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided, and the exclusion of excess cash from the advisory fee is intended to benefit Clients holding substantial cash balances (as a percentage of the total individual account value) for an extended period of time. However, this provision may pose a financial disincentive to an IAR, as the portion of cash or money market investments will not be included in the asset-based fee charged to the account. This may cause an IAR to reallocate a client account from cash or money market investments to advisory fee eligible investments in order to avoid the application of this provision and therefore receive a fee on the full asset value in a Client's account(s).

For non-IRA/ERISA PASSPORT and AMBASSADOR accounts, the Client's Investment Advisor Representative may elect to absorb all or a portion of the Processing Fee. Certain open-end mutual funds which may be acquired by Clients, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)-1 of the Investment Company Act of 1940, or an administrative or service fee ("trail"). Such fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the fund prospectus. However, if the IAR elects to absorb the Processing Fees in *non*-IRA/ERISA accounts, they may also elect to receive trails paid by the fund company, if any, to defray the cost of the Processing Fees they absorb. If such an election is made, there may be a conflict of interest where the IAR may have an incentive to absorb all of the Processing Fees in consideration of the actual or anticipated trails they will receive.

Clients should understand that the annual advisory fees charged in the PASSPORT and AMBASSADOR programs are in addition to the management fees and operating expenses charged by open-end, closed-end and exchange-traded funds. To the extent that a client intends to hold fund shares for an extended period of time, it may be more economical for the client to purchase fund shares outside of these programs. Clients may be able to purchase mutual funds directly from their respective fund families without incurring the Benefit Design Corporation's advisory fee. When purchasing directly from fund families, clients may incur a front- or back-end sales charge.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1%-2% of the amount originally invested) for redemptions generally made within short periods of time. These short-term charges are imposed by the funds (and not Benefit Design Corporation) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, which may increase the overall cost to the client by 1%-2% (or more), are available in each fund's prospectus.

Clients should also understand that certain no-load variable annuities may be offered in the PASSPORT and AMBASSADOR programs and may be charged an advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the management fees and operating expenses charged by the insurance companies offering these products.

Clients should also understand that more sophisticated investments such as short sells and margins may be offered in the PASSPORT and AMBASSADOR programs. Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on a client's statement for the



margin security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where an IAR may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

A Client's total cost of each of the services provided through these programs, if purchased separately, could be more or less than the costs of each respective program. Cost factors may include the Client's ability to:

- 1) obtain the services provided within the programs separately with respect to the selection of mutual funds,
- 2) invest and rebalance the selected mutual funds without the payment of a sales charge, and
- 3) obtain performance reporting comparable to those provided within each program.

When making cost comparisons, Clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the Client otherwise may not qualify for reduced sales charges for fund purchases, the fees may be less expensive than separately paying the sales charges and advisory fees. If an account is not actively traded or the Client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

The Client's IAR may have a financial incentive to recommend a fee-based advisory program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the Client's IAR, which may be more than the IAR would receive under an alternative program offering or if the Client paid for these services separately. Therefore, the Client's IAR may have a financial incentive to recommend a particular account program over another. IARs do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, IARs may receive higher compensation for certain product types. In addition, the IAR may receive incentive compensation for utilizing a particular account program.

Benefit Design Corporation believes the charges and fees offered within each fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Clients that terminate the Advisory agreement(s) within the first five (5) business days of entering into the Advisory agreement will have any advisory fees that were charged refunded back to them.

All above quoted fees may be negotiated within the stated fee schedule; however, certain circumstances may dictate an exception from the set range.

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

Form ADV Part 2A, Item 6

Benefit Design Corporation and its IARs do not accept performance-based fees – that is, we do not accept fees based on a share of capital gains on or capital appreciation of the assets of a client.

### ***Types of Clients***

Form ADV Part 2A, Item 7

Benefit Design Corporation Advisor Representatives generally provide investment advice to individuals, charitable organizations, and closely-held businesses.

Benefit Design Corporation has a client base comprised of High Net Worth Individuals (11 – 25%), Individuals, other than high net worth individuals (more than 75%), and Charitable Organizations (up to 10%).

Account opening minimum account size requirements are specified under our wrap-fee program guidelines:

The minimum dollar value for starting and maintaining a Passport Account is \$25,000. Smaller accounts may be accepted based upon the specific circumstances of an account.

The minimum dollar value for starting and maintaining an Ambassador Account is \$100,000. Smaller accounts may be accepted based upon the specific circumstances of an account.

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

Form ADV Part 2A, Item 8

The security analysis methods used by Benefit Design Corporation's Financial Advisors include Charting, and Fundamental, Technical and Cyclical analysis. The main sources of information used are research materials prepared by others, financial newspapers and magazines, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. The Investment strategies used to implement any investment advice given to clients include both Long-term purchases (securities held at least a year), and Short-term purchases (securities sold within a year).

Benefit Design Corporation Financial Advisors offer advice on the following:

- Equity Securities, which include exchange-listed securities, securities traded over-the-counter, and foreign issuers;
- Corporate debt securities (other than commercial paper);
- Certificates of deposit;
- Municipal securities;
- Investment company securities, which include variable life insurance, variable annuities, and mutual fund shares;
- United States government securities;
- Interests in partnerships in real estate

Although firm Financial Advisors make every attempt to manage portfolio risk, clients are advised that investing in securities involves risk of loss that clients should be prepared to bear.

Client financial goals, timing of financial goals and client investment temperament are the factors affecting the development of portfolio strategy. Our Advisors incorporate these considerations in helping our clients develop a comprehensive investing strategy that includes both Long-term purchases (securities held at least a year), and Short-term purchases (securities sold within a year). Beyond these considerations, our Firm utilizes a top-down investment approach which incorporates the tenets of qualitative and quantitative fundamental research, as well as those of sound technical analysis.

For those clients whose risk objectives allow for an investment strategy with more frequent trading, the costs of frequent trading are discussed and are noted in the table below.

Processing Fees for the execution of each trade are as follows:

<u>SECURITY TYPE</u>	<u>PROCESSING FEE</u>
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
<b>Preferred Stocks</b>	<b>\$50</b>
<b>Options Contracts</b>	<b>\$50</b>
<b>Bonds</b>	<b>\$50</b>

In addition to the above transaction charges, a nominal fee for postage and handling for each transaction is also assessed.

Benefit Design Corporation Financial Advisors consider client risk objectives, financial goals and portfolio size in order to recommend security positions to be held in client portfolios. Diversification of Equity and Income positions are recommended based on tolerance to market risk.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

Benefit Design Corporation, the firm's management staff, representatives and employees inclusively, has not been convicted or involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction.

Benefit Design Corporation, the firm's management staff, representatives and employees inclusively, has not been a named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.

Benefit Design Corporation, the firm's management staff, representatives and employees inclusively, has not been found to have been involved in a violation of an investment-related statute or regulation, and has not been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, Benefit Design Corporation or a management person from engaging in any investment-related activity.

Neither administrative proceeding before the SEC, nor any other federal regulatory agency, state regulatory agency, nor any foreign financial regulatory authority has found Benefit Design Corporation or the firm's management staff to have caused an investment-related business to lose its authorization to do business.

Benefit Design Corporation, the firm's management staff, representatives and employees inclusively, has not been involved in a violation of an investment-related statute or regulation, and has not been the subject of an order by the agency or authority to deny, suspend, or revoke the authorization of Benefit Design Corporation or a management person to act in an investment-related business.

Benefit Design Corporation, the firm's management staff, representatives and employees inclusively, has not been barred or suspended from association with an investment-related business, nor has there been any significant limitation of the firm's investment-related activities.

Benefit Design Corporation has not had any civil money penalty of more than \$2,500 imposed on the firm or a management person.

No self-regulatory organization (SRO) proceeding has found Benefit Design Corporation or a management person to have caused an investment-related business to lose its authorization to do business; or to have been involved in a violation of the SRO's rules. Neither Benefit Design Corporation nor a management person has been barred or suspended from membership or from association with other members, and neither Benefit Design Corporation nor a management person has been expelled from membership, or otherwise significantly limited from investment-related activities, or fined more than \$2,500.

## ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

Associated persons of Benefit Design Corporation are licensed as registered representatives to sell securities through Raymond James Financial Services, Inc. ("RJFS"), a securities broker/dealer, member FINRA and SIPC. In this capacity, IARs may be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds and receive commissions for those transactions. In addition, they are involved in the sale of various insurance products.

Benefit Design Corporation is not registered as a futures commission merchant, commodity pool operator, commodity trading advisor, nor is Benefit Design Corporation an associated representative of the foregoing entities.

Investment Advisor Representatives are NASD Registered Representatives affiliated with Raymond James Financial Services, Inc. (RJFS). RJFS is a wholly owned subsidiary of Raymond James Financial, Inc. Investment Advisor Representatives are licensed to sell insurance and annuities through Planning Corporation of America (PCA), which is a wholly owned subsidiary of Raymond James Financial, Inc. and receive commissions on any product sold through PCA. Additionally, Advisor Representatives may receive commissions on products sold within the scope of services rendered as independent brokers for various Life and Health Insurance companies.

Investment Advisor representatives of Benefit Design Corporation are registered representative(s) of Raymond James Financial Services, Inc. (RJFS), member FINRA/SIPC, which is a wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates, Inc. (member NYSE), which is also a wholly owned subsidiary of Raymond James Financial, Inc. Notwithstanding the fact that principals and associates of the Advisor may be registered representatives of RJFS, the Advisor is solely responsible for investment advice rendered. Advisory services are provided separately and independently of the broker/dealer.

Benefit Design Corporation's associated persons are Registered Representatives of Raymond James Financial Services, Inc. (RJFS). In the event that a client freely chooses to implement investment advice through our Registered Representatives, the broker/dealer will be RJFS. Pursuant to IA-1092, Benefit Design Corporation also makes the following statement:

- (1) Associated persons of Benefit Design Corporation are also associated with RJFS.
- (2) Clients are under no obligation to have Benefit Design Corporation or its associated persons implement any recommendations made in a written financial plan.
- (3) If asked to implement the recommendations of the financial plan, Benefit Design Corporation IARs intend to implement such financial planning in whole or in part through products offered by RJFS and its subsidiary companies.
- (4) To the extent that Benefit Design Corporation or its associated persons do implement, they will be acting as agents for the Broker/Dealer and/or the insurance company.
- (5) Although the Benefit Design Corporation's associated persons are Registered Representatives of RJFS, these Advisory services provided herein are basically beyond the scope of our association with the Broker/Dealer and these services are independent from such association with the Broker/Dealer.



(6) If insurance or securities products are sold, commissions may be received by the applicant.

(7) Clients shall have total freedom to execute securities and/or insurance transactions with any company of their choice.

(8) It is likely that Benefit Design Corporation IARs, if asked to implement, will recommend or use only the financial products offered by the Broker/Dealer as stated above and that the financial plan could be limited by such products.

Benefit Design Corporation does not have a business relationship with any other Financial Advisor that would cause a material conflict of interest for our clients.

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

Form ADV Part 2A, Item 11

Benefit Design Corporation will provide a copy of our Code of Ethics to any Client or prospective Client upon request.

Benefit Design Corporation is committed to maintaining the highest legal and ethical standards in the conduct of its business. We have built our reputation on Client trust and confidence in our professional abilities and our integrity. As fiduciaries, we place our Clients' interests above our own. Meeting this commitment is the responsibility of Benefit Design Corporation and each and every one of our employees.

Any violations of Benefit Design Corporation's Code of Ethics should immediately be reported to the Chief Compliance Officer. Benefit Design Corporation will investigate any such reports as well as provide protection for the employee reporting the violation.

The Code of Ethics is distributed to all Benefit Design Corporation employees. Any amendments to the Code of Ethics will be immediately distributed to all employees. Each employee will be required to acknowledge the receipt of the Code of Ethics in writing.

In conjunction with the annual employee compliance conference, the Compliance Officer reviews each employee's adherence to Benefit Design Corporation's Code of Ethics.

Benefit Design Corporation Independent Advisor Representatives do not serve as general partners or related persons in partnerships or investment companies in which Client investments are solicited. Benefit Design Corporation IARs do not make recommendations to Clients or transact buys or sells of securities in Client accounts in which they have a material financial interest.

Benefit Design Corporation has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline a firm wide policy statement on compliance with insider trading policies by the Benefit Design Corporation and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of Benefit Design Corporation. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading.

Benefit Design Corporation or associated persons may buy or sell securities that are also transacted for Clients. In instances where the IAR buys or sells the same securities as those of their Clients, the Client's accounts are given priority. Notwithstanding, certain trading policies employed by Benefit Design Corporation may at times lead to associated persons receiving a more favorable execution when aggregated within a particular block trade.

## **Brokerage Practices**

Form ADV Part 2A, Item 12

Benefit Design Corporation's associated persons are Registered Representatives of Raymond James Financial Services, Inc. (RJFS) and in whole or in part use products offered by RJFS and its subsidiary companies. Our firm believes that the charges and fees offered within RJFS programs are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Benefit Design Corporation and its IARs do not receive research or other products or services other than execution from Raymond James Financial Services, Inc. in connection with Client securities transactions ("soft dollar benefits"). We pay for all services provided by our Broker/Dealer RJFS and receive no soft dollar benefits from RJFS or any other source.

Benefit Design Corporation and its IARs do not use Client brokerage commissions to obtain research or other products or services from RJFS.

If asked to implement the recommendations of a Client's financial plan, Benefit Design Corporation IARs intend to implement such financial planning in whole or in part through products offered by RJFS and its subsidiary companies; therefore, there is no incentive for our firm Advisors to select or recommend a Broker/Dealer based on an interest in receiving research or other products or services. We work with RJFS as Broker/Dealer and believe that our Client's interests are best served in this manner.

Benefit Design Corporation, its management staff and financial Advisors, receive no soft dollar benefits from Raymond James Financial Services, Inc. or any third party in connection with Client securities transactions. Client accounts are therefore not allocated in any way associated with soft dollar benefits to firm IARs. There are no products or services acquired with Client brokerage commissions.

Client transactions are not directed to Raymond James Financial Services in return for soft dollar benefits; transactions are directed to RJFS because our firm believes the Broker/Dealer to be competitive and reliable.

Investment Advisor representatives of Benefit Design Corporation are registered representative(s) of Raymond James Financial Services, Inc. (RJFS), member FINRA/SIPC, which is a wholly owned subsidiary of Raymond James Financial, Inc. In the event that a Client freely chooses to implement investment advice through our Registered Representatives, the Client is told that the Broker/Dealer will be RJFS. Benefit Design Corporation, its management staff and financial Advisors, have no incentive to select or recommend a Broker-Dealer on the interest of receiving Client referrals, and receive no soft dollar benefits from Raymond James Financial Services, Inc., including Client referrals.

Benefit Design Corporation, its management staff and financial Advisors have not, in the last fiscal year, or ever, directed Client transactions to a particular Broker-Dealer in return for Client referrals.

As stated above, in the event that a Client freely chooses to implement investment advice through our Registered Representatives, the Client is told that, although not all Advisors require their Clients to direct brokerage, our firm directs transactions to RJFS. Benefit Design Corporation Representatives, if asked to implement, will recommend or use only the financial products offered by RJFS and its subsidiaries and, although it is possible that the financial plan could be limited by such products, we believe that the charges and fees offered within RJFS programs are competitive with alternative programs available through other firms. Our interests' center on the welfare of our Clients, and this includes our choice of Broker/Dealer.

Through our Broker / Dealer Raymond James Financial Services, Inc., our Firm's Financial Advisors are able to utilize Block Trading (Group Trading) to achieve most favorable execution of Client transactions. Share pricing for a position is pro-rated for all shares within a given trade block. We aggregate the purchase or sale of securities for Client accounts whenever possible. (Note: Block Trading is not available for those accounts that are ineligible for a wrap-fee program, i.e. Passport and/or Ambassador).

## ***Review of Accounts***

Form ADV Part 2A, Item 13

Internal (Firm) reviews of Client accounts are completed at least monthly, and often more frequently than on a monthly basis. Clients are encouraged to schedule semi-annual reviews with our Financial Advisors, but Clients are not limited to semi-annual reviews.

The timing and nature of account reviews are dictated by a variety of factors. Such factors include the following: contributions or withdrawals of cash from an account; a determination to change the cash level of an account; the allocation of a block of a particular security purchased for, or sold from, a particular objective; a Client's request for tax-loss selling; a Client's direction to refrain from purchasing a particular security, or class of securities, for his or her account; a Client's request for information regarding the performance or structure of an account; the performance of an account; option maturity dates; interest rate changes; changes in the list of securities approved for purchase for a particular objective; a Client's pledge of the assets of an account as collateral security; and requirements imposed by court order or regulatory decree (e.g. divorce decree, tax lien).

Our Firm and Broker/Dealer, RJFS, provide regular reports to Clients regarding their accounts. Clients receive confirmations of each transaction from RJFS. Clients also receive direct statements from RJFS and its subsidiaries and related insurance companies summarizing client account activity and valuation. Clients with fee-based asset management programs also receive quarterly, annual, and from inception, investment performance summaries; these summaries are rendered as of the end of each calendar quarter.

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

Benefit Design Corporation's Financial Advisors have no arrangements with anyone who is not a Client to provide an economic benefit to our firm for providing investment advice or Advisory services to our Clients.

Our Financial Advisors do not directly or indirectly compensate any person who is not a supervised person in our Firm for Client referrals.

***Custody***

Form ADV Part 2A, Item 15

Benefit Design Corporation, its Management Staff, and Financial Advisors do not have custody of Client funds or securities.



### ***Investment Discretion***

Form ADV Part 2A, Item 16

Benefit Design Corporation's Financial Advisor Representatives accept discretionary authority to manage Client accounts through the Raymond James & Associates *Passport Investment Program* (provided certain qualifications are met). A *Passport Discretionary Investment Advisor Client Agreement* is signed by both the Client and the Investment Advisor Representative before discretionary authority is implemented. Although Clients give the Financial Advisor discretionary authority under the Passport Program, they always have the option of requesting specific purchases of securities as well as the option to refrain from purchasing a particular security or a class of securities. The Client's individual requirements are honored by our Firm.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

Benefit Design Corporation, its Management Staff and Financial Advisor Representatives do not accept authority to vote Client securities.

Clients receive their proxies or other solicitations directly from their custodian or a transfer agent. Our Clients know that they can contact our Firm if they have questions about a particular solicitation.

### ***Financial Information***

Form ADV Part 2A, Item 18

Benefit Design Corporation does not solicit prepayment of more than \$1,200 in fees per Client for a six month or greater time period. For Discretionary accounts, Clients are billed quarterly, as previously noted.

## **Requirements for State-Registered Advisors**

Form ADV Part 2A, Item 19

Investment Advisor Representatives of Benefit Design Corporation must have a minimum of five years prior service in the financial services industry, and have earned a four-year undergraduate degree or the equivalent.

### **Gary W. Wood, CFP (Year of Birth - 1954) – President and Chief Investment Officer**

#### Business Background:

- ♦ January 1997 to present – Mr. Wood is a Registered Representative of Raymond James Financial Services, Inc.
- ♦ June 1990 to present – Mr. Wood is President and Chief Investment Officer of Benefit Design Corporation.
- ♦ April 1991 to January 1997 – Mr. Wood was a Registered Representative with Guardian Investor Services Corporation.
- ♦ Prior to founding Benefit Design Corporation, Mr. Wood was an Investment Advisor Representative and Registered Representative at another investment advisor, American Express Financial Advisors. For eight years prior to this, Mr. Wood was affiliated with Jefferson National Bank, a statewide banking concern where he served as an officer of the bank and branch manager.

#### Education:

Certified Financial Planner (CFP®), College of Financial Planning, Denver, Colorado;

Concentrations in Economics and Accounting at Virginia Commonwealth University and American Institute of Banking

#### Professional Affiliations:

Member Financial Planning Association

Charter Member Kingdom Advisors

Member National Association of Christian Financial Planners

Associate Member Christian Legal Society

### **Ervin H. Stewart (Year of Birth - 1947)**

#### Business Background:

- ♦ May 1999 to present – Mr. Stewart is an Advisor Representative of Benefit Design Corporation.
- ♦ May 1999 to present – Mr. Stewart is a Registered Representative of Raymond James Financial Services, Inc.
- ♦ April 1994 to May 1999 – Mr. Stewart was a Registered Representative with Guardian Investor Services Corporation.

#### Education:

Concentration in Business Administration at Virginia Commonwealth University; U.S. Navy veteran.

Benefit Design Corporation's Investment Advisor Representatives are compensated for advisory services with performance-based compensation through the Raymond James Financial, Inc. Passport and Ambassador Programs described in Item 5 of Part 2A. The related program fee schedule is determined in the Client's contract and is charged quarterly from the Client's account. Although performance-based compensation may create an incentive for Advisors to recommend investments that may carry an increased degree of risk, we believe that the Benefit Design Corporation portfolios are specifically designed to manage risk – and we do not deliberately recommend high risk investments for the purpose of increasing fee-based compensation.

Investment Advisor Representatives of Benefit Design Corporation have never been involved in any dishonest, unfair or unethical practices, have not been found liable in any arbitration claim, and have never been found liable in any civil, self-regulatory organization, or administrative proceeding involving theft, fraud, or any other illegal activity.