

---

---

Schroeder, Braxton & Vogt Inc.  
801-15900

1412 Sweet Home Road  
Suite 7  
Amherst, NY 14228

Phone: 716-634-6113  
Email: [invest@sbvfinancial.com](mailto:invest@sbvfinancial.com)  
Web: [www.sbvfinancial.com](http://www.sbvfinancial.com)

3/26/2012

**This brochure provides information about the qualifications and business practices of Schroeder, Braxton & Vogt Inc. If you have any questions about the contents of this brochure, please contact us at [invest@sbvfinancial.com](mailto:invest@sbvfinancial.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 Schroeder, Braxton & Vogt Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Form ADV - Material Changes for Part 2A

---

**Schroeder, Braxton & Vogt Inc.**

### **Change in periodic performance reporting**

We have upgraded our portfolio performance software to provide performance information over five time periods in our quarterly reports: The current quarter, year to date, last three years, last five years, and from the beginning of management to date.

### **Change in hourly financial planning fee**

We have changed our minimum hourly fee. Fees now range from \$200 to \$250 per hour.

---

---

## **Table of Contents**

Item 1 Cover Page.....	1
Item 2 Material Changes.....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business.....	4
Item 5 Fees and Compensation.....	5
Item 6 Performance-Based Fees and Side-By-Side Management.....	7
Item 7 Types of Clients.....	8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 Disciplinary Information.....	12
Item 10 Other Financial Industry Activities and Affiliations.....	13
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Person.....	14
Item 12 Brokerage Practices.....	16
Item 13 Review of Accounts.....	19
Item 14 Client Referrals and Other Compensation.....	21
Item 15 Custody.....	22
Item 16 Investment Discretion.....	23
Item 17 Voting Client Securities.....	24
Item 18 Financial Information.....	25
Item 19 Requirements for State-Registered Advisers.....	26

### Schroeder, Braxton & Vogt Inc. (SEC No. 801-15900)

#### **Item 4 Advisory Business**

Schroeder, Braxton & Vogt Inc. is an investment management and financial planning firm. It was formed in 1980. It is owned by Rosanne Braxton and Richard Schroeder.

We supervise investment portfolios for individuals and families, trusts, and non-profit organizations. We also help our clients plan for their retirement, for their children's education, for other life transitions such as changes in career, marriage, divorce or death, and for the passing of their assets to heirs and charities at death. We offer advice on life, disability, and long-term care insurance, debts, savings accounts, budgeting, and tax management. If a specific client need is beyond our expertise, we help clients find a qualified consultant. If a client permits, we consult with their legal and tax advisers to formulate the best strategies. If we refer a client to an outside expert, we do not receive any compensation or consideration for such referral.

We offer each client a portfolio based on our diversified mutual fund models. Portfolios range from conservative to aggressive. We take into account each client's immediate and future cash needs and tax status when making investment decisions. We select the mutual funds used in each portfolio.

Clients give us discretion to manage their portfolios. As of Dec. 31, 2011 we managed \$222 million in client assets on a discretionary basis.

### Schroeder, Braxton & Vogt Inc. (SEC No. 801-15900)

#### Item 5 Fees and Compensation

We charge an annualized fee based on the size of a client's managed portfolio. A portfolio may consist of a single account or several accounts managed for the same client. The accounts of married clients and their children are treated as one portfolio when calculating fees. Here is our fee schedule:

- 1 percent of the first \$500,000.00
- 0.5 percent of the amount between \$500,000.01 and \$1,500,000.00
- 0.375 percent of the amount between \$1,500,000.01 and \$3,000,000.00
- 0.25 percent of the amount above \$3,000,000.01

One-quarter of the annual fee is collected from a portfolio in January, April, July, and October. It is based on the value of the managed portfolio on the last day of the previous calendar quarter. The minimum quarterly fee is \$625.

For example, clients John and Mary Smith have three accounts managed by our firm. The three accounts together are worth \$1,700,000 on March 31. Their quarterly fee is calculated this way:

The first \$500,000 is charged \$1,250 (one-quarter of the 1 percent annual fee).

The next \$1,000,000 is charged \$1,250 (one-quarter of the 0.5 percent annual fee).

The remaining \$200,000 is charged \$187.50 (one-quarter of the 0.375 percent annual fee).

Their total fee for the quarter is \$2,687.50.

If their account remained at exactly the same value all year, their annual fee would be \$10,750 (0.63 percent on an annual percentage basis).

We do not negotiate our fees. Certain clients who were with us before our current fee schedule was adopted in 2007 are grandfathered on different schedules. Some pay lower fees than those above or are exempted from minimum fees. We do not charge fees for accounts of principals, or employees, or members of their immediate families.

Our fees are charged in advance at the beginning of each quarter. This means you will pay a fee for the services we will perform over the next three months. We will send you a detailed bill each quarter. Most clients allow us to deduct their fees from their managed accounts by authorizing a limited power of attorney to Schroeder, Braxton & Vogt. However, if a client prefers, fees can be billed directly to the client. Prompt payment by check is expected.

A client may cancel his relationship with our firm at any time. We will refund the full amount of fees if the cancellation comes in the first five days of our relationship. Otherwise the refund will be calculated on unearned fees within three days of our receipt of a client's cancellation of service. Refunds are made by check and mailed to clients.

In addition to our quarterly account management fee, mutual funds used by clients charge internal expense fees subtracted from each fund's assets. Clients may also pay a trading fee of \$25 to our

## Form ADV - Part 2A

---

custodian, Charles Schwab & Co., to buy or sell a particular mutual fund. Some of the funds we use subsidize that fee so that clients don't pay it directly. Others do not subsidize the fee, requiring clients to pay it, but in those cases the funds pass on the savings to clients by charging lower expense fees.

The typical fee for trading a stock is \$8.95 for those with household account relationships of \$1 million or more or those who receive their Schwab reports electronically. All others pay a \$19.95 fee.

We do not accept compensation for the sale of securities or other investment products from any third party. We are compensated solely from fees charged to our clients.

Occasionally we will offer financial planning and other services on an hourly basis to clients who do not have sufficient assets to manage. Our hourly fees range from \$200 to \$250 depending on which advisor a client engages. Our minimum fee per financial planning engagement is \$1,000.

**Schroeder, Braxton & Vogt Inc.**

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

We do not charge performance-based fees or offer side-by-side management arrangements.

**Schroeder, Braxton & Vogt Inc.**

### **Item 7 Types of Clients**

We offer investment advice and portfolio management primarily to individuals and families, estates, trusts, and non-profit organizations. Our clients come from all age groups, ranging from infants with education accounts to retirees. We also handle estate accounts for the families of deceased clients.

We generally require that new clients have at least \$500,000 in cash and securities that we can manage, although we waive this minimum under certain circumstances. These may include:

1. For family members of current clients.
2. For clients who plan to increase the size of their portfolios substantially.
3. For clients who are willing to pay our minimum quarterly management fee of \$625.



Schroeder, Braxton & Vogt Inc.

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

#### **Investment Strategy**

Our firm follows an asset allocation investment strategy.

There are three methods of investing:

1. Market timing, in which an investor buys or sells in an attempt to avoid market declines and take advantage of market gains.
2. Security selection, where an investor analyzes individual securities, sectors, and industries in an attempt to pick superior investments.
3. Asset allocation, in which an investor invests in distinct markets that have different risk and reward characteristics.

We believe academic research has shown that market timing does not work. No mechanical timing system, professional money manager, or money management company has ever demonstrated the ability to consistently predict the movements of investment markets with enough precision to make profitable buy and sell decisions.

Likewise, we believe the academic research has shown that individual security selection does not work. Because crucial investment information is disseminated instantaneously to the market, it is difficult for one investor to gain an informational advantage over other investors. There is no advantage to having the same information that is available to all investors.

A growing body of academic research indicates that the majority of a portfolio's risk and reward is determined by its allocation among various investment asset classes. The asset classes we use include:

- Large U.S. stocks.
- Small U.S. stocks.
- Stocks of developed international markets, such as Great Britain, Japan, and Germany.
- Stocks of developing international markets, such as China, India, and Brazil.
- Stocks of companies that own commercial real estate.
- Commodity investments made through companies that own or develop such commodities as oil, gold, and wheat, or investments in futures markets.
- U.S. and foreign government bonds.
- U.S. and foreign corporate bonds.
- Short-term money market instruments, such as certificates of deposit, money market mutual funds, and U.S. Treasury Bills.

Each portfolio class is affected in different ways by the general level of economic activity, supply and demand, interest rates, and many other factors. We believe that academic investment research has shown that the combination of asset classes that move in different directions and at different rates can reduce volatility and improve returns over time.

### Risks

Risk-free investments do not exist. There are a variety of risks associated with any investment or investment strategy. Those risks apply to our investment portfolios. They include:

**Market risk:** At any time broad market movements can affect any and all of the investments we use. Short-term declines in value can be substantial. In past bear markets, some of the equity funds we use have declined by 50 percent or more.

**Inflation risk:** Although some of our investments are selected because they have kept up with, or exceeded, inflation in the past, there is no guarantee that they will continue to do so in the future.

**Asset class risk:** At any time investors may sell off a particular asset class and this will affect our holdings.

**Interest rate risk:** Our fixed income holdings are affected when interest rates suddenly rise. Their principal value can drop when this happens. Also, when market interest rates fall, the income received from these investments can decline.

Because we use open-end mutual funds for our clients almost exclusively, we think two other general risks are mitigated. One is specific company or security risk: our diversification over thousands of individual securities limits the impact of significant declines in an individual security linked to issues specific to that security. In the same fashion, we are less affected by sector risk (for instance, the risk associated with investing in the energy industry or the service industry) because we do not concentrate our investments in any one sector.

### Security Risks:

We use open-end mutual funds almost exclusively. They offer wide diversification and low cost, and help to minimize individual security and sector risk. However, there are some risks unique to mutual funds. They include:

**Management risk:** Performance may be adversely affected by a sudden change in a fund's manager or management committee.

**Market risk:** A real or perceived problem at a fund may cause investors to sell off at the same time, forcing the fund to liquidate holdings quickly. This may affect performance and may cause unexpected tax bills for investors who hold onto their shares.

**Risk of not adhering to objectives:** We select individual funds whose stated objectives and strategies match our objectives. There is the risk that the fund's management will suddenly stop adhering to objectives and not even tell investors that it has changed investment styles. This has occurred to several funds we have used over the years, forcing us to sell the funds at reduced values.

We also occasionally use exchange traded funds (ETFs). They present several additional potential risks:

**Pricing risk:** Because ETF prices are set partially by investor demand, their prices may be higher or lower than the value of the securities they own.

**Tracking risk:** So-called index ETFs may not accurately track the performance of the investment indexes they are supposed to follow.

**Spread risk:** ETFs that do not have high trading volume may have above-average spreads between bid and asked prices paid by investors.

**Schroeder, Braxton & Vogt Inc.**

**Item 9 Disciplinary Information**

Neither our firm or anyone in our firm's management has ever been charged with, pleaded guilty or no contest to, or been found guilty in any criminal or civil proceeding involving the investment business, fraud, or any related charge.

Neither our firm or anyone in our firm's management has ever been disciplined, fined, or suspended by the Securities and Exchange Commission, any state regulatory authority, any self regulatory authority, or any industry association.

Schroeder, Braxton & Vogt Inc.

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

Our firm publishes a monthly newsletter - Schroeder, Braxton & Vogt's Investment Update - for its clients. Several other investment advisor firms purchase the newsletter from us at a negotiated fixed fee in order to offer it to their clients. The firm also sells its quarterly client letter to other investment advisor firms for use with their clients.

**Schroeder, Braxton & Vogt Inc.**

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

**Code of Ethics**

Schroeder, Braxton & Vogt has adopted a written code of ethics. We will provide a copy to any prospective or current client upon request. Our ethics code covers the following areas:

**Competence:** Our employees and principals are required to maintain the necessary knowledge and skill to serve clients.

**Diligence, fairness, and impartiality:** Our staff is required to service clients promptly, and to act with fairness, impartiality, intellectual honesty, and integrity toward clients.

**Dignity and courtesy:** All parties our staff comes into contact with are to be treated with dignity and courtesy.

**Confidentiality:** All client information is to be kept confidential, except for these instances:

- Written or verbal permission from client.
- When required by a court of law or its agents.
- When someone has a legal power of attorney granted by our client.

**Conflict of interest:** Any potential conflicts should be disclosed promptly to clients.

**Staff trading:** Our employees generally invest in the same mutual funds owned by our clients. All employees and principals must provide the firm quarterly with lists of reportable securities owned or traded by them and by immediate family members residing in their households since the last report. Employees and principals will not invest in initial public or private placement offerings without first notifying the firm and receiving permission for the purchase.

**Knowledge of violations:** Any employee or principal aware of a violation of these rules must report them to the firm's compliance officer.

All employees are required to read and sign the ethics policy upon beginning employment. The policy is reviewed by staff and principals at least annually.

**Participation/Interest in Client Transactions & Personal Trading**

We use our discretionary investment authority over client accounts to purchase only open-end mutual funds, open-end exchange-traded funds, and U.S. Treasury Securities. We do not recommend to clients the purchase of individual equities, bonds, or other instruments.

Employees and principals who wish to buy securities other than mutual funds or Treasuries must

## Form ADV - Part 2A

---

inform the firm's compliance officer in advance. The compliance officer will review the request to see if it is in conflict with any trades being done for clients. If a conflict exists the employee or principal will not be allowed to make the trade.

In practice, the firm's employees and principals invest generally in the same open-end mutual funds that the firm uses for its clients.

Employees and principals are required each quarter to provide the firm with information on all reportable investment securities owned or traded within the last quarter by them or by immediate family members residing in their households. Those statements are reviewed by the firm's compliance officer. New employees are required to disclose reportable investment securities within ten days of beginning employment.

Schroeder, Braxton & Vogt Inc.

### Item 12 Brokerage Practices

#### **Why We Use Charles Schwab**

We require that clients use Charles Schwab & Co. Inc. as a custodian for client accounts and as a broker-dealer when performing transactions in their account. Schwab is a FINRA registered broker dealer and a member of the SIPC. Although we require clients to establish their accounts at Schwab, it is the client's decision whether to use Schwab or not. Schroeder, Braxton & Vogt is independently owned and operated and is not affiliated with Schwab.

We periodically review competing brokers to determine whether we should offer clients a choice. We have not found a compelling reason to do so. We use these criteria when evaluating Schwab and its competitors:

- 1. Excellent service:** We want a broker who will quickly and accurately handle transfers of securities, account withdrawals and deposits, securities trades, required minimum distributions from retirement accounts, and other client transactions.
- 2. Accurate reporting:** The broker should give our firm and its clients accurate and current information on account activity. Periodic written or online reports should be clear, understandable, and accurate.
- 3. Robust technology:** The broker's online access for our firm and its web site for clients should be comprehensive and easy to use.
- 4. Low Cost:** The cost per transaction should be competitive.
- 5. Convenience:** It should be easy for clients to make withdrawals and deposits, set up and close accounts, change account registrations of beneficiaries, and transfer money between accounts. We have found Charles Schwab to meet or exceed our criteria.

#### **Benefits to Our Firm in Working With Schwab**

Schwab provides Schroeder, Braxton & Vogt with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services.

These services are not contingent upon our firm committing to Schwab any specific amount of business, such as assets in custody or trading commissions. Schwab does not provide any client referrals to our firm.



Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Schwab generally does not charge separately for custody services but is compensated by account holders through transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Clients who accept their Schwab reports electronically or who maintain a household account relationship with Schwab of \$1 million or more pay a flat rate of \$8.95 per stock trade. All others pay a flat rate of \$19.95. Schwab does not charge a trading fee on many of the mutual funds we use. Otherwise, we have negotiated a reduced rate of \$25 per mutual fund trade. There are no account maintenance fees. Other fees our clients occasionally pay are \$25 for a wire transfer and \$8.50 for checks delivered overnight. However, clients can avoid both charges by setting up a free link between their Schwab accounts and their personal bank accounts. The link allows money to transfer at no charge.

Schwab Advisor Services also makes available to Schroeder, Braxton & Vogt other products and services that benefit our firm but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some of our accounts. These products and services include software and other technology that:

1. Provide access to client account data (such as trade confirmations and account statements).
2. Facilitate trade execution.
3. Provide research, pricing and other market data.
4. Facilitate payment of Schroeder, Braxton & Vogt's fees from its clients' accounts.
5. Assist with back-office functions, record-keeping and client reporting.

Schwab Advisor Services also offers other services intended to help our firm manage and further develop our business. These services include compliance, legal and business consulting, and publications and conferences on practice management and business succession. Schwab occasionally makes available, arranges and/or pays third-party vendors for the types of services rendered to our firm. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Over the past year, Schwab has provided these discounts:

1. A reduced fee of \$2,718.75 on the Morningstar research service. Morningstar provides reports on individual stocks, mutual funds, and other securities. It also allows us to research a client's portfolio for returns, risk, costs, and other factors.
2. Free stock research reports from Schwab, Standard & Poor's, and Argus.

3. A \$1,500 discount on PortfolioCenter, a software package that helps our firm construct quarterly portfolio reports for clients and to track their capital gains, deposits, distributions, and transactions.
4. A reduced price for a professional survey of our clients.

Schwab Advisor Services has provided other benefits such as educational events or occasional business entertainment of Schroeder, Braxton & Vogt's personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, Schroeder, Braxton & Vogt may take into account the availability of some of these products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Directed Brokerage**

Because Schwab is the only custodian used for Schroeder, Braxton & Vogt accounts, all transactions for clients are executed through Schwab. It is possible that clients could obtain more favorable execution of their trades at other broker-dealers, so Schroeder, Braxton's & Vogt's practice could cause our clients to receive less favorable prices on stock or bond trades. Because we use mutual funds for virtually all of our client accounts, we do not have enough individual stock or bond trades in order to aggregate their purchases and sales in order to get a better price for those trades.

### **Other Custodians**

From time to time we are given limited powers of attorney to direct trades in, and receive reports on, client accounts at other investment firms, currently including Vanguard, Prudential, and TIAA-CREF. This is a courtesy for clients with pre-existing accounts. We do not charge fees through those custodians, we do not receive discounts or benefits from those custodians other than copies of account statements, and we do not direct brokerage to those custodians.

**Schroeder, Braxton & Vogt Inc.**

### **Item 13 Review of Accounts**

#### **Our Account Reviews**

We review client accounts at least three times per year:

1. In the late winter or early spring. At this time we rebalance accounts to bring each asset class as close as possible to its original allocation. We also make sure there is enough cash available for upcoming periodic withdrawals or required minimum distributions from retirement accounts.
2. In the summer. In this review we check cash reserves to make cash available for distributions.
3. Near the end of each year. We check to see if we can make any tax-loss sales in non-retirement accounts. We also check cash levels and allocation.

In addition to those regular reviews, individual client accounts are reviewed whenever:

1. Deposits or withdrawals are made.
2. New securities are transferred in from outside accounts.
3. A client changes his desired asset allocation.

Reviews are conducted by the client's primary investment manager, and are reviewed by at least one other member of the firm's Investment Committee.

#### **Our Reports to Clients**

We send reports to our clients at the beginning of each calendar quarter. The reports include a review of portfolio holdings and a recap of portfolio earnings and losses. We also provide interim reports to clients at review meetings.

*Holdings:* We generally combine all accounts owned by a client or a family, although we report separately on members of some families due to special circumstances unique to those families. We list each investment, the amount invested, its percentage of the overall portfolio, and identify the account it is held in.

*Performance:* We include information for five time periods - the most recent quarter, year to date, the last three years, the last five years, and from the beginning of our management to date. On interim client meeting reports we show two time periods - the year to date and from the beginning of management to date. For each time period we show:

- The portfolio value at the beginning of the time period
- Additions made to the portfolio
- Withdrawals from the portfolio
- The portfolio's value at the end of the time period

## Form ADV - Part 2A

---

- The investment gain or loss in dollars and in percentages (all gains are net of fees and expenses). We report these as time-weighted returns. If cash flows have had a material effect on performance we will also include an internal rate of return calculation.

We urge clients to check the information we report against the monthly account statements they receive from Charles Schwab and to let us know of any discrepancies.

**Schroeder, Braxton & Vogt Inc.**

**Item 14 Client Referrals and Other Compensation**

Our firm does not compensate anyone outside of Schroeder, Braxton & Vogt for referrals of potential clients.

**Schroeder, Braxton & Vogt Inc.**

**Item 15 Custody**

We do not maintain custody of client funds. Our clients send their checks, securities, and other assets directly to Charles Schwab & Co. Any withdrawals from client accounts are sent directly to a client's bank account or address of record. We will not accept any securities for safekeeping, and we will return any checks that are not endorsed to Charles Schwab & Co. We will immediately forward to Schwab any checks endorsed to or payable to Schwab.

Charles Schwab sends monthly statements to our clients by mail, or, for those clients who request it, makes those statements available online through a password-protected website.

We send a consolidated quarterly statement to our clients showing the value of their holdings at the end of the quarter and summarizing their gains, losses, deposits, and withdrawals. We urge our clients to compare our statements to their Schwab statements and to notify us of any discrepancies.

**Schroeder, Braxton & Vogt Inc.**

### **Item 16 Investment Discretion**

We accept discretionary authority to manage our clients' accounts. This gives us the authority to pick specific investments for client accounts, to decide how much of a client's money to put into each investment, and to time the purchase and sale of each investment.

When a client opens a new account or accounts at Charles Schwab & Co., he will initial a limited power of attorney on Schwab's account form allowing Schroeder, Braxton & Vogt to buy and sell securities in his account, to disburse funds held in the Schwab account to accounts of identical registration at banks, brokerages, investment companies and other financial institutions, or to remit checks to a client's address of record.

A new client and an investment manager at Schroeder, Braxton & Vogt spend time analyzing the client's needs and goals and jointly agree on a general plan to reach those goals. The investment manager then recommends a diversified mutual fund allocation from the firm's five models. Once the client and investment manager have agreed upon an allocation, they determine whether the client will need cash available for withdrawals, and examine the client's income tax exposure. The investment manager will construct a portfolio based on the allocation model, and will modify it as necessary to minimize future taxation and to provide cash for planned periodic or one-time withdrawals.

From then on the investment manager will follow the asset allocation model selected by the client. However, the investment manager reserves the right to deviate from the model allocation in extraordinary circumstances if it appears to be in the client's best interests.

Shortly after this process and after money is received into an investment account, the investment manager will perform an initial review. A Client Engagement Letter will be sent to the client. It will list the initial purchases and sales of securities in the client account, as well as the manager's fees. Once the client has signed the agreement, investing will begin. Subsequent investment reviews do not require a client's signed approval of changes to his account.

**Schroeder, Braxton & Vogt Inc.**

**Item 17 Voting Client Securities**

We do not accept the authority to vote on issues related to our clients' securities. Clients receive all voting materials and proxies from Charles Schwab & Co. Clients may contact us if they have questions and we will do our best to answer questions about such issues.



**Schroeder, Braxton & Vogt Inc.**

**Item 18 Financial Information**

We are not required to provide a balance sheet because we do not require prepayment of fees that total more than \$1,200 per client six or more months in advance and we do not have custody of client funds or securities.

**Schroeder, Braxton & Vogt Inc.**

**Item 19 Requirements for State-Registered Advisers**

This section does not apply to our firm.