

Part 2A of Form ADV: *Firm Brochure*

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03/29/2017

This brochure provides information about the qualifications and business practices of Resource Investment Architects, Inc.. If you have any questions about the contents of this brochure, please contact us at 707-763-7861 or ad@iai.bz. 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 Resource Investment Architects, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 111894.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 3/29/2017, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Resource Investment Architects, Inc. (hereinafter "RIA") is an SEC-registered investment adviser with its principal place of business located in California. RIA began conducting business in 1984.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Glen David Haddock

RIA offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a non-discretionary basis or on a discretionary basis when given that authority by the client. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Mutual fund shares
- Options contracts on securities

In addition to the above securities RIA advisors may provide advice on other investments including Real Estate Investment Trusts, publicly registered or private non registered partnerships investing in all types of investments including hedge funds, real estate, oil and gas interests, and/or commodities.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Once the client's portfolio has been established, most offices review the client portfolios at least quarterly and if necessary, rebalance the portfolio on a periodic basis, based on the client's individual needs.

MANAGER OF MANAGERS PROGRAM

RIA offers advisory management services to clients through our Manager of Managers Program. We provide the client with an asset allocation strategy developed through personal discussions in which the client's goals and objectives are established based on the client's particular circumstances.

RIA performs management searches of various registered investment advisers. Based on the client's individual circumstances and needs we determine which selected registered investment advisers ("adviser" or "asset manager") portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected asset manager. Clients should refer to the asset manager's Firm Brochure or other disclosure document for a full description of the services offered. Client meetings are available on a regular basis, or as determined by the client, to review the account.

Once we identify the most appropriate asset manager(s), our firm provides the selected adviser with the client's investment information, who then creates and manages the client's portfolio.

On an ongoing basis, we monitor the performance of the asset manager(s). If we determine that a particular adviser is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with that client's risk tolerance, goals and objectives, then we may move the client's portfolio to a different asset manager and/or program sponsor.

Should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's suitability information and thus investment manager selection is warranted.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all

questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service may receive a written or verbal report which provides the client with a financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address one or more of the following areas:

PERSONAL: We review family records, budgeting, personal liability, estate information and financial goals.

TAX & CASH FLOW: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

INVESTMENTS: We analyze investment alternatives and their effect on the client's portfolio.

INSURANCE: We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

RETIREMENT: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

DEATH & DISABILITY: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including usually a questionnaire completed by the client. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning. Investment advice will be limited to categories of investment that the specific advisor

Exchange-listed securities

Securities traded over-the-counter

Foreign issuers

Warrants

Corporate debt securities (other than commercial paper)

Commercial paper

Certificates of deposit

Municipal securities

Variable life insurance

Variable annuities

Mutual fund shares

United States governmental securities

Options contracts on securities

Interests in partnerships investing in real estate
Interests in partnerships investing in oil and gas interests
Interests in partnerships investing in hedge funds, commodities funds, etc.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

ADVISORY REFERRAL SERVICES

RIA acts as a solicitor on behalf of various independent registered investment advisers. Based on a client's individual circumstances and needs, we will assist the client in determining which independent adviser's portfolio management services are appropriate for that client. Factors considered in making this determination, including account size, risk tolerance, and a client's investment experience, are discussed during our consultation with the client.

RIA will meet with the client on a regular basis, or as determined by the client, to review the account. We will, when needed, suggest changes in the client's portfolio ("rebalancing"), to more effectively address each client's goals. The client may then instruct the independent adviser to make any or all of the changes we recommended. These recommendations are our own, and are neither recommended nor approved by any independent advisers.

Any rebalancing of the portfolio is done with the client's approval, and will be reviewed and implemented by the independent investment adviser. At the time of conducting the advisory solicitation, RIA will ensure that all federal and/or state specific requirements governing solicitation activities are met.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

AMOUNT OF MANAGED ASSETS

As of 12/31/2016, RIA actively managed approximately \$177,000,000 of clients' assets on a non-discretionary basis and approximately \$117,000,000 on a discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES

INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from .5% to 2% and vary by office and/or advisor. Investment supervisory services fees should not exceed 3%/year.

Limited Negotiability of Advisory Fees: Although RIA has established fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Fees Billed in Advance or Arrears: Our advisory fees will be charged in one of two ways as agreed upon with the client:

- *In advance:* Advisory fees are billed in advance at the beginning of each calendar quarter based upon the asset value (market or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account equity at the end of the previous quarter.
- *In arrears:* Advisory fees are billed in arrears at the end of each calendar quarter based upon the asset value (market or fair market value in the absence of market value), of the client's account at quarter-end.

When authorized by the client, fees will be debited from the account in accordance with the terms set forth in the Client Management Agreement.

INVESTMENT SUPERVISORY SERVICES ("ISS") MANAGER OF MANAGERS FEES

Contractually, we are paid by the selected asset manager(s), based on a percentage of the client's assets under management with that manager. Accordingly, our fee, which typically ranges from .5% to 2%, depending on the advisor and size of the account, is included in the asset manager's annual management fee.

RIA does not control the fees or the billing arrangements of any selected asset manager. For a complete description of the fee arrangement including billing practices, minimum account requirements and account termination provisions, clients should review the independent investment adviser's Firm Brochure or other disclosure document.

SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS FEES

We are paid by the independent adviser selected by the client for portfolio management services. Our fee is based on a percentage of the client's managed assets (typically ranging up to **50%** of the fee charged by the independent investment adviser, depending on the size of the account), which is included in the independent investment adviser's annual management fee. The portion of the advisory fee paid to us does not increase the client's ultimate advisory fee paid to the selected independent investment adviser.

Clients are provided with a separate disclosure document describing the fee paid to us by such independent registered investment advisers. The total asset management fee, including the referral fee paid to our firm, is disclosed in the independent investment adviser's disclosure document.

FINANCIAL PLANNING FEES

RIA's Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees may be calculated and charged on a fixed fee basis or on an hourly basis with rates varying from as low as \$50/hour for some advisor's staff time up to \$350/hour for some advisor's time. Fees will vary depending on the specific arrangement reached with the client. The terms of these arrangements are included in a written Client Agreement. Further some advisors may waive the fee if a client has put their assets under RIA management and/or the client has purchased investments on a commission basis. Again this varies by office and by advisor.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1200 for work that will not be completed within six months. The balance is due upon completion of the plan.

Alternatively the client may be billed quarterly in advance based on our total estimated Financial Planning fees.

Fees Offset By Commissions: If a Financial Planning client executes recommended securities transactions through associated persons of our firm in their separate capacities as registered representatives of a broker dealer, these individuals will earn commissions which are separate and distinct from fees charged for advisory services. In some instances, depending on the size of the transaction, advisory fees may be discounted, at our discretion, for commissions earned. Commissions will not be credited towards future advisory fees.

Financial Planning Fee Offset: RIA reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Investment Management Services.

ADVISORY REFERRAL SERVICES FEES

We do not enter into an advisory agreement with any client nor do we charge a fee to any client for referrals to another Adviser(s). Our fees for such referrals are paid by the referred Adviser(s) who shares with our firm a percentage of the fees received from the client. Client advisory fees are not increased in any way as a result of our referral of any clients to another Adviser(s). We typically receive 50% of the advisory management fee paid by the client to that Adviser.

Clients will receive a separate disclosure document describing the fee paid to us by such Adviser(s). Clients should refer to that Adviser's' disclosure document for information regarding its fees, billing practices, minimum required investments and termination of advisory agreements.

CONSULTING SERVICES FEES

RIA's Consulting Services fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Services fees may be calculated and charged on a fixed fee basis, typically ranging from \$250 and up, hourly basis with rates varying widely from \$50/hour for staff time to \$350/hour for advisor time. Fees will vary depending on the specific arrangement reached with the client. Further some advisors may waive the fee if a client has put their assets under our management and/or the client has purchased investments on a commission basis. Again this varies by office and by client.

The client will be billed quarterly in advance based on our estimated Consulting Services fees.

Management personnel of RIA and many of our advisors are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. However for some advisory systems the advisor must be the representative of record on the account in order for the services to be provided.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days

remaining in the billing period.

Mutual Fund Fees: All fees paid to RIA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to RIA's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: RIA is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, RIA may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset RIA's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Potential Conflict of Interest: Advisors may offer other investments, such as non-traded REIT's, publicly registered or private placement limited partnerships, hedge funds, hedge fund of funds, etc. These investments may be offered either through RIA on a fee basis or through Investment Architects, Inc. on a commission basis. The decision as to which compensation structure is chosen is between the client and their advisor. Only one option will be chosen but not both. If the transaction is placed through IAI on a commission basis those assets will not be included in the assets under management of RIA for fee purposes. Whether the fee or commission option is selected, IAI may receive compensation from the investment sponsor for IAI's due diligence and marketing efforts. This fee is not paid to the advisory associate.

One or more of our advisors offer the following services:

Wealth Management Program:

Advisors through RIA may offer clients the Wealth Management Program - Portfolio Management: Advisor will analyze client financial goals and objectives. Advisor will design the investment portfolio(s) for the client and the Investment Policy Statement will define the portfolio's specific parameters. RIA does not retain custody of client's funds or securities. An independent custodian will hold all client funds and securities.

For this program client grants RIA ongoing and continuous discretionary authority to execute its investment recommendations in accordance with the client's Investment Policy Statement. Client grants RIA trading authority for the purpose of purchasing and selling securities or instruments in the account. This authority includes arranging for delivery and payment in connection with the above, and to act on behalf of client in all matters incidental to the handling of the account without prior approval for each specific transaction. However, client may request in writing reasonable restrictions on the management of the account. In no event will RIA nor its advisory associates be obligated to effect any transactions for client which would violate applicable federal or state law, or rule of regulation of any regulatory or self-regulatory body. Client may waive the right to receive transaction confirmations, prospectuses and annual reports. Advisor does not vote proxy's for clients.

The wealth management retainer fee is based upon the total value of the client's investment assets to be managed. The fee will be calculated in accordance with the fee schedule below. The client account value will be based solely upon the market value of the account and assessed in arrears or in advance as agreed to in the client agreement. For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported, shall be valued at the last reported sale price on the principal market in which they are traded or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date. Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers. The quarterly fee will be equal to the annual rate, times the market value of the account, divided by four. New account assets held for a partial quarter will be pro-rated based on the number of days the account was open during the quarter. The fees

are billed to the custodian and paid directly to the RIA from the client's account.

Annual Wealth Management Retainer Fees: 1.75% on assets under \$500,000; 1.60% on assets between \$500,001 and \$750,000; 1.35% on assets between \$750,001 and \$1,000,000; 1.1% on assets between \$1,000,001 and \$3,000,000; .85% on assets between \$3,000,001 and \$5,000,000; and .60% on assets in excess of \$5,000,000.

Client pays RIA a one-time set-up fee of up to \$1,000 per account. Client pays no commissions or trading fees on any discretionary trades initiated by RIA. However, the client will be charged up to \$35.00 per security and any mutual fund company imposed fees (e.g. short term redemption fees) for client directed trades. The custodian assesses a quarterly administrative fee of up to \$37.50 per account. RIA and custodian may amend any of the above fees upon 30 days written notice to client. Some fees may be negotiable under certain circumstances.

To terminate the Wealth Management Agreement, client must submit a request in writing. Upon termination of client's relationship with RIA, all assets must be transferred from the current custodian. Client pays full quarterly custodial administrative fees, account closure fees and all trading costs due to the termination including any fees the mutual funds may assess. To liquidate or transfer in kind, the custodian may assess fees up to \$35.00 per security transaction. Custodian may assess additional fees for transfer of illiquid investments. Wealth management retainer fees will be pro-rated for the quarter and then deducted from client's account. Payment of fees may result in the liquidation of some securities if there is insufficient cash in the account. Upon request, RIA will provide a good-faith estimate of these fees.

Advisor may have arrangements with unrelated third parties sometimes referred to as TAMPs. TAMP stands for Third Party Asset Management Program. Advisor makes available advisory services and programs of third party investment advisors. Under these TAMP programs RIA, through its advisors provides ongoing investment advice to clients that is tailored to the individual needs of the client. As part of these TAMP services, the advisor typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the advisor may assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. It is the third party investment advisor (and not the advisor) that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objectives chosen by the client. This authorization will be set out in the TAMP client agreement. The Brochure for the particular TAMP will explain whether clients may impose restrictions on investing in certain securities or types of securities. Examples of third party management programs offered by RIA include SEI, Genworth Financial Wealth Management, Morningstar, Envestnet, and Northwest Asset Management. Clients should refer to the Brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program.

Services provided to clients by TAMPs may include, but not be limited to the following: research, due diligence, reporting, portfolio analysis, portfolio management, and back office administration. The unrelated third parties will generally not have direct contact with Advisor clients.

By entering into the Wealth Management Agreement with Advisor, client implicitly and explicitly authorizes Advisor to use the aforementioned third party arrangements in servicing client's account and to share non-public, personal information with the third party service provider during administration and management of the client's account. Additionally, Advisor executes a "Confidentiality Agreement" binding a third party service provider from sharing this information with any unauthorized person or entity.

The use of a third party service provider will not cause client to pay any additional fees. Advisor will compensate a third party service provider for services rendered out of the total wealth management fee charged to client as outlined in Wealth Management Agreement-Retainer Fee Schedule and previously in this section of the ADV Part.

Morningstar® Managed Portfolios Program

RIA may offer clients the Morningstar® Managed Portfolios Program ("Program"). This Program is a discretionary investment advisory program offered by Morningstar Investment Services, Inc. ("MIS"), a federally registered investment advisor. The Program is available to clients through arrangements MIS has with RIA. MIS will receive compensation for their investment advisory services provided under the Program as a percentage of assets. In addition, MIS will delegate certain services to RIA such as assisting each client in completing a questionnaire and other applicable account opening forms, determining suitability and the appropriate portfolio within the Program, meeting with the client at least annually to obtain any changes in their financial situation, and acting as liaison between MIS and the RIA client. For these services, RIA will receive a portion of the fee paid by each client participating in this Program. The agreement client signs with Morningstar is also an agreement with RIA for this program.

The minimum initial investments are as follows: Asset Allocation and Focused Strategy portfolios \$50,000; Enhanced Portfolio Service \$1,000,000; Individual 401(k) Account \$40,000; Institutional Income portfolio \$250,000. The minimum subsequent investment is \$500 (\$250 for IRA Accounts). At MIS' sole discretion, an initial or subsequent investment of less than the above stated minimums may be allowed.

Pursuant to the discretionary authority granted within the Investment Management Agreement (signed prior to opening an account), MIS will execute transactions to rebalance and/or reallocate account assets to be consistent with the client's selected portfolio and restrictions, if any. Both rebalancing and reallocations will occur as frequently as MIS considers necessary.

Program Fees: An annual Program fee is charged quarterly in arrears and is based on client's average daily account asset value during the previous quarter; prorated for partial quarters.

The Program fee consists of two parts and will not exceed 1.5% in total.

MIS Fee -- A fee relating to services performed or provided by MIS including discretionary investment management services, back-office support (e.g., proposals and account-opening documents), communications to clients and their advisory representative, marketing activities and trading costs (e.g., brokerage commissions on ETF transactions). This ranges from .2 to .4% depending on the size of the account. Refer to program material for more specific

pricing. (Note that this fee is net of any mutual fund 12b-1 fees or administrative fees paid to MIS and rebated against the gross fee.)

Advisory Firm Fee -- A fee covering the services performed by a client's advisory firm and/or advisor representative. This ranges from .9 to 1.1% depending upon the size of the account and may vary by advisory associate. A portion of RIA's share of the overall fees may be subject to negotiation with clients when the advisory associate deems it appropriate; however MIS's portion of the fees is not negotiable.

In addition, client's assets will be invested in shares of mutual funds, which will have their own advisory fees and fund expenses (including redemption fees). As a shareholder of these funds, the client will bear their proportionate share of these fees. Clients may invest in the mutual funds directly without participating in the MIS Program (and therefore without paying the Program fee), however in doing so they will not receive the advisory and other services provided by MIS and RIA respectively.

Investnet

Resource Investement Architects, Inc. and Investment Architects, Inc. have retained Investnet Asset Management, Inc. and its affiliates ("Investnet"), an unaffiliated registered investment adviser, to provide, either directly or indirectly, various investment advisory and related technology and program services to the advisors and their Program Clients. Presently RIA offers Investnet services with the following pricing structure:

Investnet's fee is a maximum of .40% or 40 basis points (see schedule below). When this service is offered through Charles Schwab's, Schwab charges a maximum fee of .25 (see schedule below). RIA's fee is 1.00%. Client is paying a maximum of 1.65% per year billed in advance.

Investnet fee schedule is:

Up to 500K .40
500K to 1M .38
1M to 2M .36
Above 2M .34

Schwab fee schedule is under mutual fund wrap accounts: (50K minimum)

250K and below .25
Above 250K to 1M .10
Above 1M to 2M .08
Over 2M .07

SEI

RIA works with SEI Investment Management ("SEI") where RIA charges an advisory fee, the assets are housed at SEI's Trust Company or other custodians, and SEI helps RIA select the appropriate asset mix between SEI's managed no load mutual funds. Any form of discretion would be given to SEI or the manager(s) selected by SEI, not RIA. SEI also provides periodic asset rebalancing. Fees for this service range from 0% (usually for family members or persons assisting or associated with RIA or its advisory associates) to a maximum of 1.65%

per annum. The advisory associate determines the fee, and some advisory associates may allow for negotiation of the fee with the client. The fees charged for the use of SEI's program are billed in arrears, and are not refundable. The fees billed by RIA do not include SEI Fund expenses that are disclosed in the SEI prospectus documents sent to Client by SEI. Clients sign a limited power of attorney authorizing SEI to withhold RIA's advisory fee from their accounts and pay them to RIA. There is no minimum account size set by RIA; however SEI may enforce a minimum account size; generally the minimum enforced by SEI is \$150,000. SEI charges a \$200 annual fee, which may be waived for accounts exceeding \$250,000.

RIA ("The Advisor" hereafter) participates in SEI's Managed Accounts Program (the "MAP Program"). To participate in the MAP Program, the Adviser, SEI Investments Management Corporation ("SIMC") and the individual investors execute a tri-party agreement ("Managed Account Agreement") providing for the management of certain investor assets in accordance with the terms thereof. Pursuant to a Managed Account Agreement, the investor appoints the Adviser as its investment adviser to assist the investor in selecting an asset allocation strategy, which would include the percentage of investor assets allocated to designated portfolios of separate securities (each, a "Managed Account Portfolio") and may include the percentage of assets allocated to a portfolio of mutual funds advised by SIMC or an affiliate of SIMC. The investor appoints SIMC to manage the assets in each Managed Account Portfolio in accordance with a strategy selected by the investor together with the Adviser. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

The fees payable to the Adviser are as follows:

Advisors fees vary but may not exceed 1.65% per year.

SIMC's maximum fee schedule for the Program is as follows (which includes investment management fees and brokerage commissions):

The fees payable to SIMC for Large Cap Core Transition Strategy:

0.85% for the first \$1 million
0.80% for the next \$2 million
0.75% for the next \$2 million
Negotiable for above \$5 million

The fees payable to SIMC for US Equity Core, Large Cap Core, US Large Cap Growth and US Large Cap Value Strategies:

0.90% for the first \$1 million
0.90% for the next \$2 million
0.85% for the next \$2 million
Negotiable for above \$5 million

The fees payable to SIMC for Managed Volatility/Tax-Sensitive Managed Volatility Strategies:

0.90% for the first \$1 million
0.90% for the next \$2 million
0.85% for the next \$2 million
Negotiable for above \$5 million

The fees payable to SIMC for Mid Cap Strategy:

1.10% for the first \$1 million
1.00% for the next \$2 million
0.90% for the next \$2 million
Negotiable for above \$5 million

The fees payable to SIMC for Small Cap Strategies:

1.20% for the first \$1 million
1.10% for the next \$2 million
1.00% for the next \$2 million
Negotiable for above \$5 million

The fees payable to SIMC for International Equity Strategy:

1.20% for the first \$1 million
1.10% for the next \$2 million
1.00% for the next \$2 million
Negotiable for above \$5 million

The fees payable to SIMC for Active Municipal Bond and Core Fixed Income Strategies:

0.70% for the first \$1 million
0.65% for the next \$2 million
0.60% for the next \$2 million
Negotiable for above \$5 million

The fees payable to SIMC for Laddered Municipal Bond, Laddered Corporate Bond, Laddered Treasury Inflation Protected Securities (TIPS) and Certificate of Deposit (CD) Portfolios:

0.30% for the first \$500,000 0.27% for the next
\$500,000 0.25% for the next \$1 million 0.20% for
the next \$3 million
Negotiable for above \$5 million

SIMC may impose minimum account balances ranging from \$50,000 to \$1,000,000

depending upon the Managed Account Portfolio chosen and whether the investor selects the tax management feature.

Under the MAP Program, the investor receives investment advisory services, the execution of securities brokerage transactions, custody services and reporting services for a single specified fee. Participation in the MAP Program may cost the participant more or less than purchasing such services separately. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs. The aforementioned fees may be subject to a discount.

RIA (the “Adviser”) participates in The SEI Asset Allocation Program, which is offered to high net worth individuals, defined benefit plans, participant and non-participant directed defined contribution plans, institutions, endowments, and foundations.

With the SEI Asset Allocation Program, the Adviser serves as the investment adviser to the investor, and is responsible for analyzing the investor’s current financial situation, return expectations, risk tolerance, time horizon, and asset class preference, pursuant to the Adviser’s investment advisory agreement. Based upon the investor’s information, the Adviser and the investor select an investment strategy and choose from one of many mutual fund asset allocation models, which may be provided by SEI Investments Management Corporation (“SIMC”), or purchase the individual mutual funds.

The Adviser will allocate the assets placed in the investor’s account among the SEI Funds (a family of mutual funds advised by SIMC) in accordance with the investment strategy, goal or model selected by the investor. The investor, through the Adviser, may adjust their asset allocation to help ensure that the mix reflects the objectives of the chosen strategy. The investor may, at any time, impose reasonable restrictions on the management of his/her account or choose a new investment strategy. For participant-directed plans, assets will be invested in the SEI Asset Allocation mutual funds and other style-specific SEI Funds (if applicable).

In accordance with the investor’s investment objectives, the Adviser may also allocate assets placed in the investor’s account among the SEI Funds through SEI’s Private Client Models, which reflect SIMC’s institutional asset allocation models more aligned with individual investors’ goals. SIMC expects to make changes to the Private Client Models periodically to incorporate changes to the mutual fund asset allocations underlying the models. Upon consent from the Adviser (on behalf of the investor), these asset allocation changes will be made to the investor’s accounts invested in the Private Client Models.

The SEI Funds are administered, distributed, and in some cases advised by SIMC or its affiliates for which it is paid fees as disclosed in the SEI Funds’ prospectuses. The prospectus(es) should be read carefully by all investors before investing in the SEI Funds.

The fees payable to the Adviser vary but may not exceed 1.65% year.

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

RIA does not charge performance-based fees. RIA may aggregate trades of multiple clients when placing trades. Aggregated trades may include trades for the advisor, his/her family members, and other related persons for whom the advisor manages their accounts.

Item 7 Types of Clients

RIA provides advisory services primarily to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals

RIA may also provide advisory services to Trusts, Pension Plans, corporations, small business owners, and others needing RIA's services.

RIA does not have a specific minimum investment to open an account. However each individual advisor may have their own minimum account size criteria based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service and/or your client agreement.

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

METHODS OF ANALYSIS

Each of our advisors offer different services so their method of analysis will vary. The most common methods of analysis used in formulating our investment advice and/or managing client assets include:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform

regardless of market movement.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risk management strategy: One or more of RIA's advisors may practise what we call direct risk management. When buying a stock or bond there is an effort to evaluate the downside risk of the holding and to mediate loss by selling calls, place stop losses, or buying leveraged short exchange traded funds.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption

that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. We may also hold securities for under a year when we write a call deeply in the money with the intention of gaining the premium from the call.

Margin transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

In 2005, the National Association of Securities Dealer's, Inc. (NASD) now known as FINRA censured and fined Investment Architects, Inc. and David Haddock, its due diligence officer (hereafter collectively referred to as IAI), \$7,500 citing a violation of SEC Rules 15c2-4 and 10b-9 as well as NASD Rules 2110 and 3010. The sanctions arose from three related and highly profitable private real estate offerings for which proper escrow procedures had not been followed. Further, the sponsor failed to promptly send notice to investors in one of the offerings reflecting the extension of the offering period beyond its original closing date though it had confirmed to IAI that it was doing so. While these initial errors were made by legal counsel for the sponsor, IAI was expected to detect and prevent the errors. IAI had known and reviewed the work of said counsel for over 20 years and considered counsel to be experts in this area of law. It should be noted that IAI did detect the escrow errors and brought them to the attention of the sponsor's legal counsel (who had drafted the errant documents). This attorney believed that the structure was legally compliant, and IAI trusted the attorney's judgment. However the NASD concluded that IAI should not have relied upon counsel which they did not themselves hire. The NASD also concluded that IAI did not maintain adequate written supervisory procedures for this type problem, though IAI relied on a voluminous due diligence guide book published by the College for Financial Planning, IAI subsequently expanded their written supervisory procedures to specifically address the weaknesses NASD identified. The attorney for the offerings indemnified IAI and Haddock for the cost of the fine and legal fees.

This disclosure is being made in the event that this information is deemed material to a client's evaluation of RIA's integrity.

Note that Investment Architects, Inc. is not a party to your advisory relationship with your advisory associate. Further Mr. Haddock as the President of RIA is involved in the general planning and due diligence on products and services offered by RIA he is not generally involved in the day to day specific advice provided to clients by their advisory associate. The exception would be advice Mr. Haddock provides to his personal clients.

Item 10 Other Financial Industry Activities and Affiliations

Management personnel of RIA and many of RIA's advisors are separately licensed as registered representatives of Investment Architects, Inc. , an affiliated broker-dealer . These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

As previously disclosed, we may recommend the services of various registered investment advisers to our clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

Clients should be aware that the receipt of additional compensation by RIA and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. RIA endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for us or our employees to earn compensation from the referral of clients to other registered investment advisers;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we disclose to the client in a separate disclosure document the compensation we receive in exchange for the client's referral to the selected investment adviser;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;

- we conduct initial and periodic due diligence on the selected investment advisers to establish that the advisers are suitable to recommend to our clients; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

RIA and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

RIA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to ad@iai.bz, or by calling us at 707-763-7861.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm

is granted discretionary authority.

9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer Investment Architects, Inc. and may be licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

RIA may accept discretionary authority from clients as long as the client provides this authority and any limitations of this authority in writing. The authority is limited to placing of trades (buys or sells) of investments without first contacting the client. Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

RIA will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. RIA will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. RIA's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with RIA, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and

will enable RIA to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) RIA's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on RIA's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

RIA has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like RIA in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds,

commissions are charged for individual equity and debt securities transactions). Fidelity enables RIA to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by RIA (within specified parameters). These research and brokerage services presently include services such as mutual fund and stock bond performance and statistical information and are used by our firm to manage accounts for which we may have investment discretion or not maintain discretion.

RIA may also receive additional services such as training and education conferences. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of RIA's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while RIA will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. RIA and Fidelity are not affiliated, and no broker-dealer affiliated with RIA is involved in the relationship between RIA and Fidelity.

RIA may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. RIA is independently owned and operated and not affiliated with Schwab.

Schwab provides RIA 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 advisers on an unsolicited basis, at no charge to them so long as a

total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). 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.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit RIA but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to RIA. Schwab Institutional 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. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as

part of the total mix of factors we consider 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.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are usually reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: the advisor to the account (See ADV Part 2b)

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we may provide periodic reports summarizing account performance, balances and holdings upon request.

MANAGER OF MANAGERS PROGRAM

REVIEWS: The performance of the registered investment adviser(s) selected to manage client portfolios within our Manager of Managers Program is continually monitored by RIA. Furthermore, accounts within this program are formally reviewed at least quarterly. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: the advisor to the account (See ADV Part 2b)

REPORTS: In addition to the monthly statements and confirmations of transactions that these clients receive from their respective broker-dealer or custodian, the asset manager(s) selected by RIA to manage the client's portfolio(s) within our Manager of Managers Program provides the client with written quarterly performance reports. Unless otherwise contracted for, we do not typically provide additional reports.

SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS

REVIEWS: These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent

registered investment adviser.

RIA will provide reviews as contracted for at the inception of the advisory relationship.

These accounts are reviewed by: the advisor to the account (See ADV Part 2b)

REPORTS: These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser. RIA does not typically provide reports in addition to those provided by the independent registered investment adviser selected to manage the client's assets.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan either in written form or verbally in meeting with the advisor. Additional reports will not typically be provided unless otherwise contracted for.

CONSULTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

REPORTS: Consulting Services clients will not typically receive reports due to the nature of the service.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. When we pay a referral fee linked to a specific account or accounts, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

the Solicitor's name and relationship with our firm;
the fact that the Solicitor is being paid a referral fee;
the amount of the fee; and
whether the fee paid to us by the client will be increased above our normal fees in order to

compensate the Solicitor.

A solicitors disclosure document may not be provided when the referral fee is a nominal sum and/or is not linked to a specific client referral.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

OTHER COMPENSATION

It is RIA's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. However, advisors may attend conferences and continuing education seminars provided by custodians, mutual fund companies, insurance companies and other service providers where the advisor's cost may be borne by those entities. While this is customary in the industry this could be a potential conflict of interest as this may cause the advisor to consider the sponsor of the conference a preferred service provider.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or

- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. RIA has no additional financial circumstances to report.

RIA has never been the subject of a bankruptcy petition.