

**Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of RIA. If you have any questions about the contents of this brochure, please contact us at 707-763-7861 or [ad@iai.bz](mailto: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 RIA also is available on the SEC's website at [www.adviserinfo.sec.gov](http://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 a 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 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.

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
- Variable life insurance
- Variable annuities
- Mutual fund shares
- hedge fund of funds
- hedge funds

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.

### **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. This asset allocation strategy is drafted into the client's Personal Investment Policy Statement.

RIA performs management searches of various registered investment advisers. Based on the client's individual circumstances and needs (as exhibited in the client's Personal Investment Policy Statement) 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 Personal Investment Policy Statement, who then creates and manages the client's portfolio based on that Personal Investment Policy Statement.

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 Personal Investment Policy Statement, then we may move the client's portfolio to a different asset manager and/or program sponsor. Under this scenario, our firm retains the discretion to hire and fire the asset manager and/or move the client's portfolio to a different program.

At least annually, we meet with the client to review and update, as necessary, the client's Personal Investment Advisory Statement. However, 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 Personal Investment Advisory Statement is warranted.

### **SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS**

We also offer advisory management services to our clients through our Selection and Monitoring of Third-Party Money Managers programs (hereinafter, "Programs").

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's Personal Investment Policy Statement ("PIPS").

Based on the client's individual circumstances and needs (as exhibited in the client's PIPS) we will then perform management searches of various unaffiliated registered investment advisers to identify which registered investment adviser's 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 registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine the most suitable investment adviser(s) for the client, we provide the selected adviser(s) with the client's PIPS. The adviser(s) then creates and manages the client's portfolio based on the client's individual needs as exhibited in the PIPS.

We monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's PIPS, we may suggest that the client contract with a different registered investment adviser and/or program sponsor. Under this scenario, our firm assists the client in selecting a new registered investment adviser and/or program. However, any move to a new registered investment adviser and/or program is solely at the discretion of the client.

## **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 receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all 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 a questionnaire completed by the client, and prepare a written report. 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.

- 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
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other commodities, futures, hedge funds and hedge fund of funds.

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. All recommendations are of a generic nature.

### **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 12/31/2010, RIA actively managed @ \$117,000,000 of clients' assets on a discretionary basis plus \$177,000,000 of clients' assets on a non-discretionary basis.

Specific services that we provide include the following:

- (a) RIA, Curtis Campbell, Gerald Dorn, Bryce Rader, Aaron Squires, and Wealth Architects, LLC work with Private WealthGroup, LLC (PWG) an SEC registered investment advisor as co-advisors for the provision of services to clients. These services may include one or more of the following investment programs. 1) The hiring of third party managers for either actively managing or providing guidance to PWG for active management of client's bond or equity portfolio(s). One such independent third party manager has been Green Investment Management (<http://www.gimlink.com/>) who provides management services over client's bond portfolio(s).
- 2) PWG provides active management services on a discretionary basis managing client's equity portfolio which may include investment in open or closed end mutual funds, exchange traded funds (ETF), stocks, REIT's, or limited partnerships investing in real estate, oil & gas, or



other investments. 3) independent alternative investments including hedge funds or fund of hedge funds. Curtis Campbell, Gerald Dorn, Bryce Rader, Aaron Squires and Wealth Architects, LLC work with clients to determine what mix of the above investment services best meet their client's needs and objectives. Fees for these services are usually from 1% to 1.5% with .5% going to PWG. Fees may be negotiable based on the amount of assets to be invested. Advisory fees charged by RIA and PWG may be withheld directly by custodians including those of "hedge funds" or "funds of hedge funds" and paid directly to RIA and PWG, respectively.

In regards to the services described in the preceding paragraph, RIA associates may perform one or more of a variety of functions for the client. RIA associates may search for and identify appropriate independent investment advisors to manage specific portions of a client's account based on the individual needs and circumstances of the client. Factors considered in this determination include the sum of the client's investments relative to total dollar value of the client's overall portfolio or net worth, the client's general risk tolerance, investment objectives and prior investment experience, the client's opinion of the recommended outside manager(s), and the compatibility of the investment philosophy of the client with that of the outside manager. The outside manager will determine the individual portfolio content based on the client's specific investment objectives, risk tolerance and investment time horizon. RIA associates will monitor the outside manager on behalf of the client and provide the client with periodic reports reviewing the manager's performance. RIA associates will work with PWG in searching out the best management alternatives for clients.

PWG is not affiliated with RIA, Curtis Campbell, Gerald Dorn, Bryce Rader, Aaron Squires or Wealth Architects, LLC. The founder of PWG is a former advisory associate of RIA and former representative of Investment Architects, Inc. but is no longer affiliated with either company.

The custodian of the accounts managed by the joint management agreement is generally Pershing, LLC an independent broker dealer not affiliated with RIA, Wealth Architects, LLC or PWG.

(b) Curtis Campbell, Gerald Dorn, Bryce Rader, Aaron Squires and Wealth Architects, Inc. may also provide advice and management services to their client's 401(k) or other retirement plans. The fee for these services is generally 1 to 1.5% billed quarterly in arrears.

(c) In addition to investment management services, Messrs. Campbell, Dorn, Rader, Squires, and Wealth Architects, LLC may provide financial planning services, estate planning, tax planning, asset protection planning and business succession planning as well as overall asset guidance, and other related services. This may include extensive analysis of business and personal planning issues. Plans may or may not be in writing. Hourly fees range from \$350 per hour, to no-charge for pro-bono work that some advisory associates may provide. Fees may be charged for staff time at varying rates which are generally less than the professional advisors rates. Fees may also be based on either assets placed under management or fees may be based on some portion or all of the assets of the client. Some advisory associates charge a flat fee for a plan or portion of a plan not based on hours worked. The amount of the fee to be charged or how it is calculated and the details of the services provided are included in the planning or advisory agreement letter of engagement RIA enters into with client. Fees may be refundable based on the terms of the written agreement but only upon written notice of termination of the written agreement, and then only for the portion of the fee not earned by

the advisory associate for work already performed, even if not yet delivered to client. Fees are billed in advance but any fees billed in advance will not exceed \$1200 or the services for which the fees are based will be completed within six months of fee receipt.

(d) Curtis Campbell, Gerald Dorn, Bryce Rader, Aaron Squires and Wealth Architects, LLC also offer Family Office services which are discussed in more detail below. The minimum investable assets under management to be eligible for this relationship is generally \$5,000,000.

### ***Family Office Services:***

Advisors' Duties. Advisors shall work with one another to devise and implement appropriate investment strategies for Client. In addition to Advisors' direct management of the Investable Portfolio, as defined in Section 4 of this Agreement, Advisors may also select on a discretionary basis subadvisors to manage portions of the Investable Portfolio at Pershing LLC (individually and collectively "Subadvisors"), as well as recommend using the services of other independent investment management firms (individually and collectively "Outside Managers"). It is anticipated that the general services provided by Advisors shall be as follows: (a) RIAI shall conduct necessary investor suitability analysis for Client and manage the Client relationship to include facilitating Client communications, meetings and discussions on account performance, overall strategy and investment recommendations; (b) Advisors shall identify and conduct due diligence on investments that may be suitable for Client and will manage the administrative aspects of Client's accounts such as coordinating periodic performance reports and the processing of fee billing; (c) Advisors shall identify and conduct due diligence on Subadvisors and Outside Managers and may select Subadvisors and recommend Outside Managers to manage portions of the Investable Portfolio. In instances where the services of Outside Managers are included in the management of the portfolio, Advisor shall manage Client's relationship with such Outside Managers. In such instances, it is anticipated that the Outside Managers shall manage the day-to-day affairs of Client with respect to Client's investment decisions and will handle the administrative aspects of Client's accounts such as generating periodic performance reports and processing billings for itself and Advisors. Notwithstanding the foregoing general breakdown of services, the specific services Advisors shall provide to Client are identified in Appendix A and Appendix B attached to the Agreement, and the general breakdown is qualified by Appendix A and Appendix B accordingly.

Advisors' Associates. In providing services to Client, Advisors shall act through their various individual officers, employees and independent representatives. Specific individuals shall include Curtis Campbell, Gerald Dorn, Bryce Rader, Aaron Squires and Stephen Segundo. Messrs. Campbell, Dorn, Rader and Squires are advisory associates and independent contractors of RIAI. Mr. Segundo is President and an advisory associate of PWG. It is anticipated that these individuals will provide, on behalf of their respective Advisor, most or all of Advisors' substantive services as agreed to in the Agreement and as qualified in Appendix A and Appendix B of the Agreement.

Scope of Services and Authority. The definition of "Household Assets" shall include any and all individual and joint investment holdings of Client. The "Investable Portfolio" shall include all of Client's Household Assets that are invested pursuant to the specific recommendations of Advisors and are custodied at Pershing LLC, as well as all Household Assets that are directly invested in any hard assets such as numismatics, physical precious

metals bullion, art, collectables or otherwise ("Hard Assets"), and in private investment vehicles such as hedge funds and funds of hedge funds ("Private Investments") pursuant to the specific recommendations of Advisors. The scope of the Agreement shall be limited to the Investable Portfolio, and Advisors shall have no duties or obligations as to Client's other assets absent a separate written agreement with Client. Advisors shall exercise limited discretion over the Investable Portfolio. Thus, Advisors shall select individual investments and Subadvisors on a discretionary basis, and recommend Outside Managers for Client's approval on a non-discretionary basis. Advisors may reposition the Investable Portfolio between investment positions and between Client's accounts held at Pershing LLC without Client's advance consent, but limited by the Allocation Guidelines as defined in Appendix A of the Agreement. Notwithstanding the foregoing, Advisors shall exercise no discretionary powers with respect to investments in Hard Assets and Private Investments, as well as with respect to Outside Managers; and, each such investment shall require prior written approval by Client. Any Subadvisors selected by Advisors are independent of Advisors, shall participate in managing a portion of the Investable Portfolio, and shall be given discretionary trading authority over the portion of the Investable Portfolio allocated to them. Any Outside Managers recommended by Advisors and approved by Client are independent of Advisors, shall participate in managing a portion of the Investable Portfolio, and shall exercise fully-discretionary management powers over the portion of the Investable Portfolio allocated to them. Notwithstanding the foregoing, PWG's services specifically exclude Client's investments in Private Investments managed by PWG.

Client's Duties. Client shall keep Advisors apprised of Client's address and telephone number at all times and shall comply with all reasonable requests of Advisors in a timely manner. Client agrees to cooperate with Advisors in all aspects of the Agreement, including providing complete and truthful information to Advisors regarding Client's financial and investment background, objectives, income, expenses, assets, liabilities, investment time horizon and risk tolerance. Client acknowledges that the quality of Advisors' services will be directly affected by Client's cooperation throughout the investment management planning process. Client agrees to hold harmless, defend and indemnify Advisors from and against any losses or claims caused by Client providing to Advisors materially false or misleading information or by omitting to provide any material, relevant information about Client or Client's investment objectives, risk tolerance, investment time horizon or financial resources. Client represents that with respect to the portion of the Investable Portfolio comprised of the assets of a revocable living trust or other entity, Client has full legal authority to enter into the Agreement on behalf of each such entity.

Advisors' Compensation. In exchange for the services to be provided by Advisors under the Agreement, Client shall pay fees and other charges to Advisors in accordance with the schedule set forth in Appendix A. Generally, such fees and charges shall be due and payable quarterly in advance and shall be based on the prior quarter-end market value of the Investable Portfolio. For new accounts, the initial quarterly fee shall be prorated based upon the starting date within that calendar quarter. These arrangements are qualified by the specific terms and conditions set forth in Appendix A. Advisors shall collect directly from Client's accounts all fees due to Advisors under the Agreement. Additionally, Advisors shall collect directly from Client's account any amounts due to Subadvisors. Any Outside Manager contracted by Client shall collect all fees due to Outside Manager and Advisors directly from Client's accounts. Client accordingly authorizes Advisors and Outside Managers to charge

and collect direct from Client's accounts all fees and charges due Advisors, Subadvisors and Outside Managers under the Agreement.

Additional Fees and Charges Disclosures. Client acknowledges that the fees and other charges payable under this Agreement may be higher or lower than fees charged by other advisors performing similar services and that such advisors may provide greater or lesser services than Advisors hereunder. Client further acknowledges that, in addition to Advisors' fees and charges, brokers, custodians, Subadvisors and Outside Managers shall receive fees and charges of their own from Client's accounts for services they provide. Client acknowledges that the above-described fees and charges are in addition to the internal fees and expenses of any mutual funds, exchange-traded funds and Private Investments held by Client.

Risk and Tax Disclosures. Client understands that there are risks inherent in all investments and that the Client's accounts serviced by Advisors could increase or decrease in value substantially. Client accordingly acknowledges the possibility of loss of Client's principal funds due to various investment risks, and Advisors make no guarantees, representations or warranties to Client as to investment returns or avoidance of losses which may be realized in Client's account(s). Advisors moreover are not income tax specialists and recommend that Client consult with an attorney, accountant or other income tax professional on all personal, business, and income tax matters relating to services performed under the Agreement.

## **INVESTMENT ADVISORY SERVICES AGREEMENT – APPENDIX A**

### **INVESTMENT POLICY STATEMENT**

#### **1. Statement of Purpose.**

The purpose of this Investment Policy Statement is to set forth in writing an appropriate set of objectives and goals regarding the investment of the Investable Portfolio and the compensation payable to Advisors and Subadvisors in connection thereto.

#### **2. Statement of Investment Philosophy.**

The Investable Portfolio shall be managed in a strategic manner recognizing risk and return trade-offs.

#### **3. Responsibilities of Advisors.**

- A. RIAI shall conduct detailed financial and estate analysis and planning, asset protection planning and business succession planning as appropriate.
- B. RIAI shall conduct Client-specific suitability analysis and develop overall investment strategy with Client.

C. Advisors shall seek to determine appropriate asset classes and investment strategies, and seek to develop an appropriate asset allocation.

- 1) The allocation guidelines (“**Allocation Guidelines**”) for the Investable Portfolio allow for inclusion of any of the following strategies:

Equity – Allocations typically include any combination of individual equities, exchange-traded funds, exchange-traded notes and mutual funds primarily holding long equity positions, whether actively or passively managed, as well as allocations to Subadvisors and Outside Managers investing in these instruments.

Fixed Income and Cash – Allocations typically include any combination of cash, money market funds, individual fixed income securities, exchange-traded funds, exchange-traded notes and mutual funds primarily holding long fixed income and cash positions, whether actively or passively managed, as well as allocations to Subadvisors and Outside Managers investing in these instruments.

Tactical Strategies – Allocations may include, but are not limited to, strategies primarily focused on actively managing exposure to the traditional asset classes of equity, fixed income and cash in a tactical and opportunistic manner. Strategies may focus on either fixed income or equity individually, or may rotate between these and other asset-classes as opportunities arise. These strategies are typically accessed through investments in mutual funds, exchange-traded funds and exchange-traded notes, as well as allocations to Subadvisors and Outside Managers investing in these instruments.

Alternative Strategies – Allocations may include, but are not limited to, asset classes and strategies typically considered to be non-traditional: Hard Assets, commodities, real estate and timber, as well as foreign exchange trading, futures trading, arbitrage strategies, private equity and other strategies generally associated with Private Investments. These strategies may be accessed through direct holdings of Hard Assets, through investments in mutual funds, exchange-traded funds, exchange-traded notes and Private Investments, and through allocations to Subadvisors and Outside Managers employing these strategies.

- 2) Allocations to specific investments, styles and strategies within the Allocation Guidelines shall be determined by Advisors.
- 3) Initial conformity to the Allocation Guidelines is typically sought to be achieved within ninety (90) days of Advisors’ receipt of the entirety of the Investable Portfolio, allowing for the potential avoidance of inopportune purchases and sales.

- 4) Advisors shall have the discretion to reallocate the Investable Portfolio, subject to the Allocation Guidelines, based on Advisors' opinion of the relative attractiveness of the asset classes given the then-current market environment.
- 5) Material changes to the Allocation Guidelines shall be approved by Client in writing.

**D. Select Investments, Subadvisors and Outside Managers.**

- 1) Advisors shall research and select investments that may include mutual funds, exchange-traded funds, exchange-traded notes, individual securities and other assets to fulfill the Allocation Guidelines. Additionally, Advisors may select Subadvisors and recommend Outside Managers to manage portions of the Investable Portfolio.
- 2) Advisors shall assist Client with administrative procedures (account setup, transfers or otherwise) to the extent possible.

**E. Facilitate Communication and Reporting.**

- 1) RIAI is responsible for frequent and open communication with Client on all significant matters pertaining to Client's investment policies, the management of the Investable Portfolio, and the specific investment allocations made by Advisors.
- 2) RIAI shall manage all aspects of Advisors' relationship with Client, including facilitating Client communication, conducting periodic meetings with Client to review investment performance and strategy, and addressing the day-to-day needs of Client.

**4. Compensation.**

Fees for services provided by Advisors and Subadvisors under this Agreement shall typically be charged quarterly in advance based on the account values at the end of the prior quarter. The specific fee amounts due to Advisors and Subadvisors are as follows:

RIA:	1 to 1.5% of the Investable Portfolio per annum
PWG:	0.50% of the Investable Portfolio per annum
Subadvisors:	0.55% of assets under Subadvisors' management per annum

To further clarify, fees charged by RIA and PWG are calculated using the total value of the Investable Portfolio as of the date upon which the fee is based. Fees charged by Subadvisors are based only upon the portion of the Investable Portfolio allocated to Subadvisors and are in addition to the fees charged by RIA and PWG.

## **FAMILY OFFICE SERVICES AGREEMENT – APPENDIX B**

### **1. Statement of Purpose.**

The purpose of the Family Office Services Agreement is to set forth in writing an appropriate set of agreed upon services that will be provided to the Client by Wealth Architects, LLC ("WA"), or other companies contracted for by WA, that are covered by the fees agreed upon in the Agreement. WA is an independent contractor of RIA. PWG do not provide family office services and are herein expressly indemnified for any risks or responsibilities in this connection.

### **2. Heritage Process Services.**

WA will retain Family Legacy Partners, LLC ("FLP") on behalf of the Client. FLP shall provide heritage process services to include but not be limited to mentoring, supporting, coaching and consulting the parents, members and officers of the family council on the telephone, in writing and in person as well as attending family retreats and leading personal and family development discussions and activities at the retreats.

### **3. Income Tax Compliance and Income Tax Consulting Services.**

WA will retain Freeman & Williams LLP ("F&W") on behalf of the Client. F&W shall conduct tax compliance and tax consulting services as appropriate for the Client.

### **4. Estate Planning Services.**

WA will coordinate estate planning and other legal services provided by the Clients' legal advisors. WA does not nor will they ever provide legal advice or legal services.

### **5. Financial Planning Services.**

WA will provide financial planning services to the Client including but not limited to cash management, retirement, survivorship, disability, long-term care, education, asset protection and scenario planning.

## 6. Business Consulting and Planning Services.

WA will provide on-going and ad-hoc business consulting and planning advice related to the Client's personal financial life. This does not include the provision of on-going business consulting and planning services directly to any of the Clients' closely held businesses, for which a separate engagement would be required.

### Item 5 Fees and Compensation

#### INVESTMENT SUPERVISORY SERVICES ("ISS")

##### INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and are generally 1 to 1.5%.

A minimum of \$1,000,000 of assets under management is generally required for this service. This account size may be negotiable under certain circumstances. RIA may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

RIA's advisory fees are generally not negotiable.

#### INVESTMENT SUPERVISORY SERVICES ("ISS")

##### MANAGER OF MANAGERS FEES

Contractually, we may be 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 is typically 1 to 1.5% 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.

A minimum of \$1,000,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. RIA may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

***Fees Billed in Advance or Arrears:*** Our advisory fees are 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 are debited from the account in accordance with the terms set forth in the Client Management Agreement.

## **SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS FEES**

We may be 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.

RIA's fee for this service does not include the independent investment adviser's fee for that entity's advisory/management services. The independent investment adviser's management fee is disclosed in the independent investment adviser's Firm Brochure or other disclosure document.

Our annual fee for the Manager Selection Program is charged as a percentage of assets under management of 1.00% per year

## **FINANCIAL PLANNING FEES**

RIA's Financial Planning fee is 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 are calculated and charged on an hourly basis, at \$350 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

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.

***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 Portfolio Management Services.

The client is billed quarterly in advance based on our total estimated Financial Planning fees.

## **CONSULTING SERVICES FEES**

RIA's Consulting Services fee is 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 are calculated and charged on an hourly basis at up to \$350 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

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

## **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 ETFs 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"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. 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.

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

RIA does not charge performance-based fees.

## **Item 7 Types of Clients**

RIA provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Other pooled investment vehicles(e.g., hedge funds)
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, 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.

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

### **METHODS OF ANALYSIS**

We or our co-advisors may use any of the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**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.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis.** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily

subject to measurement, and predict changes to share price based on that data.

A risk of using qualitative analysis is that our subjective judgment may prove incorrect.

**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.

**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.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Trading.*** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term

strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**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 may be 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 might be 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 and some of RIA's advisors are also 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.

While RIA and these individuals endeavor at all times to put the interest of their clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. These advisors do not receive additional compensation for accounts that they provide advisory services to.

RIA typically recommends Freeman & Williams, LLC. (Freeman hereafter) to advisory clients in need of accounting services. Accounting services provided by Freeman are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. Except for Family Office accounts no RIA client is obligated to use Freeman for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. Except for Family Office services which are specifically contracted for Freeman's accounting services do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf. Family Office clients sign an advisory agreement with RIA that includes services to be provided by both RIA and Freeman.

Gerald Dorn and Bryce Rader are associated advisors of RIA and are attorneys licensed to practice law in the states of Nevada and California. These individuals have provided legal services to many of RIA's clients in that capacity and have provided estate planning services to RIA advisory clients. Mr. Dorn and Mr. Rader's services will now include the provision of advisory services through RIA and Wealth Architects, Inc. Mr. Dorn will no longer provide legal services to his advisory clients. He will provide estate planning, tax planning, asset protection planning and business succession planning services as well as money management services as previously described in this disclosure form.

Clients should be aware that receipt of 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 our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- 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
- 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.

## **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](mailto: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. Clients can decline to implement any advice rendered.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. 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 Investment Architects, Inc. a broker-dealer, and/or 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**

For some services RIA may require that clients provide us with written discretionary authority to provide full family office services. This discretionary authority may extend to legal services provided by Anderson, Dorn, & Rader, Ltd and accounting and check writing services provided by Freeman & Williams, LLC.

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.

## **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 reviewed periodically, usually 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: Curtis Campbell, Gerald Dorn, Bryce Rader and/or Aaron Squires.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide 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. Periodic reviews of select client accounts 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: Mr.'s Campbell, Dorn, Rader and/or Squires.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that these clients receive from their respective broker-dealer, 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.

**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. 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:** These client accounts will receive reports as contracted for at the inception of the advisory engagement.

## **Item 14 Client Referrals and Other Compensation**

It is RIA's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

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.

## **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
- selection of outside managers to manage funds for client

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.

### **MANAGER OF MANAGERS PROGRAM**

As previously disclosed in Item 4 of this brochure, we do not "manage" client portfolios in the traditional sense of the definition, rather RIA manages the managers of client portfolios within this program. Accordingly, clients participating in this program grant us authority to hire and fire the selected asset manager(s) managing client accounts.

Clients give us this authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may change/amend these 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 provide audited financial statements. As an advisory firm that maintains discretionary authority for client accounts we are also required to disclose any financial condition that is reasonable 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.