



Colman Knight Advisory Group, LLC

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Carlisle, Massachusetts 01741

978-371-2015

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www.colmanknight.com

This Brochure provides information about the qualifications and business practices of Colman Knight Advisory Group, LLC. If clients have any questions about the contents of this Brochure, please contact Richard Colman at 978-371-2015 and/or rich@colmanknight.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities' authority. Colman Knight Advisory Group, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Item 2 – Material Changes

This item is used to discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. Colman Knight Advisory Group, LLC will also reference the date of its last annual update of the Brochure.

The Firm will ensure that clients receive a summary of any materials changes to this and subsequent Brochures within 120 days of its business' fiscal year-end. Further, Colman Knight Advisory Group, LLC will provide clients with a new Brochure, as necessary, based on changes or new information, at any time, without charge.

Currently, Colman Knight Advisory Group, LLC's Brochure may be requested by contacting Richard Colman at 978-371-2015 or via email at rich@colmanknight.com. Additionally, the Brochure is available on Colman Knight Advisory Group, LLC's Web site at www.colmanknight.com.

Additional information about Colman Knight Advisory Group, LLC is also available via the SEC's Web site at www.adviserinfo.sec.gov. The SEC's Web site also provides information about any persons affiliated with Colman Knight Advisory Group, LLC who are registered, or are required to be registered, as investment adviser representatives of the Firm.

The Firm has experienced no material changes since the last update on March 24, 2011.

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Item 4 – Advisory Business

Colman Knight Advisory Group, LLC (“Colman Knight” or the “Firm”) was formed in January 2003 and is owned by Richard Colman and Gayle Colman. Colman Knight may provide its clients with a broad range of project-based and comprehensive financial planning and consulting services (which may include tax-related and other non-investment related matters). Colman Knight will charge a fixed fee for these services.

In performing its services, Colman Knight shall not be required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Although Colman Knight offers investment management services (as further discussed below), it shall not solely recommend its services for implementation purposes. To mitigate any conflict of interest, it offers, but does not require, clients to utilize, its investment services and makes its services available as a choice among several investment managers. The client is under no obligation to act upon any of the recommendations made by Colman Knight and/or engage the services of any such recommended professional, including Colman Knight itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Colman Knight. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Colman Knight if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Colman Knight’s previous recommendations and/or services.

Colman Knight shall generally recommend that clients utilize the brokerage and clearing services of Fidelity Brokerage Services, LLC (“*Fidelity*”) or TD Waterhouse Investor Services, Inc. (“*Waterhouse*”) for investment management accounts. Prior to engaging Colman Knight to provide investment advisory services, the client will be required to enter into one or more written agreements with Colman Knight setting forth the terms and conditions under which Colman Knight shall render its services (collectively the “*Agreement*”), and a separate agreement for brokerage and clearing services with *Fidelity*, *Waterhouse*, any other broker/dealer recommended by Colman Knight, and/or the broker/dealer directed by the client (collectively referred to as “*Broker/Dealer*”).

Colman Knight’s *Agreement* and/or the separate agreement with *Broker/Dealer*, may authorize *Broker/Dealer* to debit the client’s account for the amount of Colman Knight’s fee and to directly remit that management fee to Colman Knight in accordance with required SEC procedures as follows: (1) Colman Knight shall send to the client and *Broker/Dealer* at the same time a fee statement (“*Fee Statement*”) showing the amount of the management fee for the period, and, additionally, shall include in the client’s *Fee Statement* the specific manner in which the management fee was calculated and the value of the client’s assets on which the fee was based, and (2) *Broker/Dealer* shall send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Colman Knight.

The *Agreement* between Colman Knight and the client will continue in effect until terminated by either party by written notice. Colman Knight’s annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Currently, Colman Knight intends to primarily allocate its clients’ investment management assets, on a non-discretionary basis, among individual debt and equity securities, mutual funds, index funds, exchange-traded funds, and/or options in accordance with the client’s investment objectives.

As discussed above, unless the client directs otherwise, Colman Knight shall generally recommend that *Fidelity* and/or *Waterhouse* serve as the broker/dealer for client assets. Clients shall incur brokerage commissions and/or transaction fees from *Broker/Dealer* for effecting certain securities transactions (e.g., transaction fees are charged for certain no-load mutual funds and commissions are charged for individual equity/debt securities transactions.) In

addition to Colman Knight's fee, clients may incur certain charges imposed by third parties such as custodial fees, brokerage commissions, transactions fees, charges imposed directly by a mutual fund or exchange traded fund in the Account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by Colman Knight in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Colman Knight will not be increased.

Colman Knight also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In doing so, Colman Knight either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsors of the client's retirement plan.

The client may make additions to and withdrawals from the account at any time, subject to Colman Knight's right to terminate an account that falls below a level that it deems impracticable to manage. However, while the client may make additions to and withdrawals from the account, Colman Knight's fee payable shall not be affected since it is not based on a percentage of assets under management but rather a fixed annual retainer. Colman Knight designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives. Additions may be in cash or securities, provided that Colman Knight reserves the right to decline to accept particular securities into a client's account.

Colman Knight's clients are advised to promptly notify Colman Knight if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Colman Knight's management services.

Neither Colman Knight nor the client may assign the *Agreement* without the consent of the other party. Transactions that do not result in a change of actual control or management of Colman Knight shall not be considered an assignment.

A copy of Colman Knight's privacy policy notice and this written disclosure statement that meets the requirements of Rule 204-3 of the Adviser's Act of 1940, as amended, shall be provided to each client prior to or contemporaneously with the execution of the *Agreement*. Any client who has not received a copy of Colman Knight's written disclosure statement at least 48 hours prior to executing the *Agreement* shall have five business days subsequent to executing the agreement to terminate Colman Knight's services without penalty.

Colman Knight manages client assets on a non-discretionary basis. As of December 2011, the Firm had \$91,299,000 million in assets under management.

Item 5 – Fees and Compensation

Colman Knight may provide its clients with a broad range of project-based and comprehensive financial planning and consulting services (which may include tax-related and other non-investment related matters). Colman Knight will charge a fixed fee for these services. Colman Knight's financial planning and consulting fees are negotiable, but generally range from \$10,000 to \$30,000 on a fixed fee basis depending upon the level and scope of the services as well as the anticipated effort required for completion and anticipated value of the services to be rendered.

Prior to engaging Colman Knight to provide financial planning and/or consulting services, the client will be required to enter into a written agreement with Colman Knight setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of that fee that is due from the client prior to Colman Knight commencing services. For project-based engagements, Colman Knight generally requires one-half of the financial planning/ consulting fee payable upon entering the written agreement. The balance is then due upon delivery of the financial plan or completion of the agreed upon services. For comprehensive financial planning clients, Colman Knight generally charges an annual fee or retainer. Clients normally pay that annual retainer in equal quarterly installments, in advance of the calendar quarter for which services are to be performed. Either party may terminate the agreement by written notice to the other. In the event the client terminates Colman Knight's financial planning and/or consulting services, the balance of Colman Knight's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client shall be entitled to a full refund.

Colman Knight may render investment management services for comprehensive (ongoing) financial planning clients. In the event the client determines to engage Colman Knight to provide investment management services, Colman Knight shall do so on a fee-only basis. Colman Knight's annual fee shall be included in its fixed fee and not based upon a percentage of the market value of the assets being managed by Colman Knight. Colman Knight's annual fee is exclusive of, and in addition to, costs and expenses charged by other independent third parties such as brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Colman Knight or its associated persons shall not receive any portion of these additional costs and expenses.

The client may make additions to and withdrawals from the account at any time, subject to Colman Knight's right to terminate an account that falls below a level that it deems impracticable to manage. However, while the client may make additions to and withdrawals from the account, Colman Knight's fee payable shall not be affected since it is not based on a percentage of assets under management but rather a fixed annual retainer. Colman Knight designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives. Additions may be in cash or securities, provided that Colman Knight reserves the right to decline to accept particular securities into a client's account.

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

Colman Knight does not charge any performance-based fees that are based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 – Types of clients

Colman Knight provides investment advisory and consulting services to individuals and high net worth individuals. Colman Knight does not impose a minimum account size or annual fee for investment management services

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

For each client we prepare an Investment Policy Statement that reflects the client's circumstances and their tolerance for risk. The client reviews the policy and once we are in agreement the client signs the policy and that establishes the range of assets to be allocated to Equities, Fixed Income and Alternative Investments. Periodically and particularly after major market turbulence we review this policy and adjust allocations.

Our investment policy is to remain fully invested thru market cycles; however, we make tactical adjustments to the various asset classes based on the situation in the overall economy. We do not use frequent trading techniques and stocks and mutual funds are purchased for long term capital appreciation. Holdings are formally reviewed semi-annually and holdings that are significantly underperforming their benchmarks may be sold.

For equities, we utilize a mix of individual stocks selected by Colman Knight Advisory Group, LLC and mutual funds or exchange traded funds to diversify the investment style within the client's portfolio. We assure that there is a balance of US and Non-US stocks and we have exposure to Emerging Markets. We also assure that all sectors are represented generally in alignment to the sector weight in the S&P 500 Index. We also diversify across small, medium and large capitalization companies and amongst growth, value and core type holdings. For clients holding individual stocks, their stock holdings typically exceed thirty stocks. Lastly we assure that no one holding composes more than 3% of the client's equity holdings. If the holdings exceed this limit, we advise the client in our semi-annual investment reviews. It is felt that these diversification techniques reduce the client's equity risk to market fluctuations.

For Fixed Income, we use ladder portfolios of bonds and CD's to reduce the interest rate risk. To reduce credit risk for fixed income, we primarily invest in municipal bonds with underlying ratings of AA or better. We utilized CD's which have FDIC insurance and in addition, we strive to purchase CD's with IDC FP rank of 150 or better on their 0-300 scale.

Clients should be aware that investing in securities involves risk of loss they should be prepared to bear.

All investments carry some amount of risk. Colman Knight's investment strategies may be subject to the following principal investment risks:

Credit Risks – The risk that the portfolio could lose money if the issuer of guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

Counter-Party Risks – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

Currency Risks – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

Debt Securities Risks – The issuer of a debt security may fail to pay interest of principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

Derivatives Risks – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

Emerging-Markets Risk – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

ETF Risks – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Issuer Non-Diversification Risk – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

Leverage Risk – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

Liquidity Risk – A security may not be able to be sold at the time desired or without adversely affecting the price.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage- and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Short Sale Risk – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to a portfolio.

Private Securities Risk – Private securities contain the risks of their respective public securities, but these risks can be magnified due to their illiquidity and lack of public knowledge on the business. These securities are inherently more risky.

Real Estate Risk – The real estate market has experienced some large swings recently. Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments can carry a great deal of risk.

Item 9 – Disciplinary Information

Colman Knight is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Colman Knight or the integrity of Colman Knight's management. Colman Knight has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Colman Knight may provide its clients with a broad range of non-investment related consulting including tax preparation services. Colman Knight shall not charge a separate fee for these services. Colman Knight anticipates that it will devote approximately 15% of its time to such services.

One of Colman Knight's Managing Members, Richard K. Colman, is a licensed practicing attorney admitted to the Bars of the States of Massachusetts and New York. Mr. Coleman maintains a limited Legal practice separate and distinct from Colman Knight's financial planning and investment advisory activities. Mr. Colman may indirectly serve as attorney for certain of Colman Knight's clients. Colman Knight may engage Mr. Colman to draft legal documents on behalf of its clients when it determines a need for such legal documents. A fixed project-based fee shall be mutually agreed upon prior to the commencement of legal work. Mr. Colman shall charge all of his legal fees to Colman Knight. Upon mutual agreement with its clients, Colman Knight shall invoice its clients in the amount of Mr. Colman's legal fees. No portion of the financial plan or any other services rendered by Colman Knight to its clients should be interpreted as legal advice. Rather, clients should defer to the advice of their own attorney. Mr. Colman spends approximately ten percent (10%) of his time on legal work.

Item 11 – Code of Ethics

Colman Knight has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its clients, to ensure that securities transactions by Colman Knight employees are consistent with Colman Knight's fiduciary duty to its clients and to ensure compliance with legal requirements and Colman Knight's standards of business conduct. The Company requires transaction confirmation and quarterly reporting of such transactions. A written copy of Colman Knight's Code of Ethics is available upon request.

Colman Knight buys and sells for itself securities that it also recommends to clients. However, persons associated with Colman Knight ("Associated Persons") are permitted to buy and sell securities that it also recommends to clients consistent with the following policies and procedures:

Unless specifically defined in Colman Knight's procedures (summarized below), none of Colman Knight's Associated Persons may effect for himself or herself, for his or her immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Colman Knight's clients.

When Colman Knight is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Colman Knight is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither Colman Knight nor any advisory representative of Colman Knight has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This Policy has been established recognizing that some securities being considered for purchase and sale on behalf of Colman Knight's clients trade in sufficiently broad markets to permit transactions by clients to be completed

without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above.

Colman Knight will maintain records of these trades, including the reasons for any exceptions. In accordance with Section 204A of the Investment Advisers Act of 1940, as amended, Colman Knight also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Colman Knight or any of its Associated Persons.

Item 12 – Brokerage Practices

The brokerage commissions and/or transaction fees charged by *Fidelity*, *Waterhouse*, or any other designated broker/dealer are exclusive of, and in addition to, Colman Knight's fee. Factors which Colman Knight considers in recommending *Fidelity*, *Waterhouse*, or any other broker/dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. *Fidelity* and *Waterhouse* enable Colman Knight to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* and *Waterhouse* may be higher or lower than those charged by other broker/dealers.

The commissions paid by Colman Knight's clients shall comply with Colman Knight's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker/dealer might charge to effect the same transaction where Colman Knight determines, 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 among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Colman Knight will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests Colman Knight to arrange for the execution of securities brokerage transactions for the client's account, Colman Knight shall direct such transactions through broker/dealers that Colman Knight reasonably believes will provide best execution. Colman Knight shall periodically and systematically review its policies and procedures regarding recommending broker/dealers to its client in light of its duty to obtain best execution.

The client may direct Colman Knight in writing to use a particular broker/dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker/dealer, and Colman Knight will not seek better execution services or prices from other broker/dealers or be able to "batch" client transactions for execution through other broker/dealers with orders for other accounts managed by Colman Knight (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Transactions for each client generally will be effected independently, unless Colman Knight decides to purchase or sell the same securities for several clients at approximately the same time. Colman Knight may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Colman Knight's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Colman Knight's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Colman Knight determines to aggregate client orders for the purchase or sale of securities, including securities in which Colman Knight's

Associated Person(s) may invest, Colman Knight shall generally do so in accordance with applicable rules promulgated under the Investment Advisers Act of 1940 and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Colman Knight shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that Colman Knight determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order of the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Colman Knight may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Colman Knight in its investment decision-making process. Such research generally will be used to service all of Colman Knight's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.

Although not a material consideration when determining whether to recommend that a client utilize the services of *Fidelity* and/or *Waterhouse*, Colman Knight may receive from *Fidelity* and/or *Waterhouse*, without cost, computer software and related systems support, which allows Colman Knight to better monitor client accounts maintained at *Fidelity* and/or *Waterhouse*. Colman Knight may receive the software and related support without cost because Colman Knight renders investment management services to clients that, in the aggregate, maintain a certain level of assets at *Fidelity* and/or *Waterhouse*.

Specifically, Colman Knight may receive the following benefits from *Fidelity* through its Institutional Brokerage Group and/or *Waterhouse* through its TD *Waterhouse* Institutional Services: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate share to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13 – Review of Accounts

For those clients to whom Colman Knight provides investment management services, account reviews are conducted on at least a semi-annual basis. For those clients to whom Colman Knight provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis but no less than annually. Such reviews are conducted by the principals of Colman Knight, Gayle Knight Colman and/or Richard K. Colman. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Colman Knight and to keep Colman Knight informed of any changes thereto. Colman Knight shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker/dealer or custodian for the client accounts. Those clients to whom Colman Knight provides investment advisory services will also receive a report from Colman Knight that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a semi-annual basis or as otherwise requested by the client from time-to-time.

Those clients to whom Colman Knight provides financial planning services will receive reports from Colman Knight summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Colman Knight.

Item 14 – Client Referrals and Other Compensation

Neither Colman Knight nor any of its Supervised Persons receives any economic benefits from any persons or entities who are not clients. Further, Colman Knight or any of its Supervised Persons do not directly or indirectly compensate any person or entity for client referrals.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains clients' investment assets. Colman Knight urges clients to carefully review such statements and compare such official custodial records to the account statements that the Firm may provide to you. The statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients having questions regarding statements should contact Colman Knight or the custodian directly.

Item 16 – Investment Discretion

Colman Knight does not maintain discretionary authority to manage any client assets.

Item 17 – Voting Client Securities

As a matter of Firm policy and practice, Colman Knight does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Colman Knight may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Colman Knight is required in this Item to provide clients with certain financial information or disclosures about its financial condition. Colman Knight is well capitalized, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.