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March 12, 2012

This brochure provides information about the qualifications and business practices of Glass Jacobson Investment Advisors, LLC ("Glass Jacobson" or the "Company"). If you have any questions about the contents of this brochure, please contact us at 410-356-1000 or [www.glassjacobson.com](http://www.glassjacobson.com). The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Glass Jacobson is registered as an investment adviser with the SEC. The firm's registration does not imply a certain level of skill or training.

Additional information about Glass Jacobson also is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information included in this brochure is intended to provide you with information that may be useful to you in evaluating the services that we provide and to compare our services with those of other advisory firms.

## ITEM 2. MATERIAL CHANGES

The Company's response to this Item reflects only material changes in the brochure since the Company's last annual update of its brochure, dated March 31, 2011. This current brochure, dated March 12, 2012, reflects changes in the Company's fee schedules.

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## ITEM 4. ADVISORY BUSINESS

Glass Jacobson has been an investment adviser since 1998 and is owned by the following individuals: Edward Jacobson, Michael Cohen, Jonathan Dinkins, Bart Scheffel and Steven Albert. Messrs. Jacobson, Cohen and Dinkins are Managing Members of the Company. Messrs. Cohen and Dinkins and two of the Company's investment adviser representatives constitute the Company's investment committee that determines general investment advice to clients.

The Company offers investment advisory and financial planning services to its clients (individuals; 401(k), defined contribution, and defined benefit pension plans; trusts; estates; or charitable organizations) through various platforms. These platforms consist of the following:

- Client Advisory Accounts, in which Glass Jacobson manages the client's account on a discretionary basis;
- Summit Accounts, which are similar to Client Advisory Accounts, but are managed by Glass Jacobson either on a discretionary or non-discretionary basis (as determined in advance by the client), and are most suitable for accounts over \$50,000 that wish to invest primarily in mutual funds;
- Financial Planning services; and
- 401(k) Retirement Plan services, which allow a client company to offer its employees a wide array of investment options.

Each of these platforms is discussed more thoroughly below.

### I. CLIENT ADVISORY ACCOUNTS

The Client Advisory Account is a discretionary managed account designed to permit the Company to make investment decisions for the account pursuant to investment objectives chosen by the client. In certain rare cases, Glass Jacobson will manage an advisory account on a non-discretionary basis.

The Company requires that clients establish brokerage accounts with Schwab Institutional ("Schwab"), a division of Charles Schwab & Co., Inc., or Fidelity Registered Investment Advisor Group ("Fidelity"), a division of Fidelity Investments, to maintain custody of such client's assets and to effect trades for the client's account. Each of these custodians is a registered broker-dealer. The Company maintains a relationship with Schwab and Fidelity which enables clients to receive institutional trading and operations services to which the average retail client would not otherwise have access. All transactions are cleared through either Schwab or Fidelity.

### INVESTMENT SELECTION AND PORTFOLIO MANAGEMENT

Glass Jacobson, through its investment adviser representatives, diversifies and manages the client's portfolio. Investments and allocations are determined based upon the client's pre-defined investment objections, risk tolerance, time horizon, financial information, and other various suitability factors that are determined. The investment adviser representative will manage the client's accounts on an individual basis. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio will not be identical with accounts of other clients with similar investment objectives and managed by the same investment adviser representative.

Clients may also choose to maintain a brokerage relationship with one or more custodians other than Schwab or Fidelity and in connection therewith participate in the custodial integrator By All Accounts, Inc. ("BAA") service provided by the Company. The BAA service consolidates information about client investments held with such other custodians. Clients may participate in the BAA service in one or both of the following ways:

First, clients may choose to participate in the BAA service with respect to one or more custodial accounts that are included for investment management purposes in the Client Advisory Account managed by the Company. In connection with this manner of participation, clients direct the Company to place trades through such other custodians. The value of the accounts maintained with such other custodians is included in the overall value of the Client Advisory Account for purposes of calculating the Company's Management Fee discussed later in this brochure.

Next, clients may choose to participate in the BAA service with respect to one or more accounts that are not included in the Client Advisory Account managed by the Company. Such participation enables the Company to consider information about the client's investments held with other custodians when rendering advice with respect to the Client Advisory Account, as well as to provide non-discretionary advice to such client as to the investments in the accounts reported through BAA. Such clients are under no obligation to act on or consider any advice that may be rendered by the Company with respect to such accounts, and clients may direct the investments in such accounts in any manner they desire. With respect to any accounts reported through BAA that are not included in the Client Advisory Account, the Company does not have any responsibility to direct investments in, and/or place trades for such accounts. Clients are charged an annual fee of 0.25% of the value of all of the client's accounts reported through BAA that are not included in the Client Advisory Account, payable quarterly in advance. The value of such accounts is not included in the overall value of the Client Advisory Account for purposes of calculating the Company's Management Fee.

## **II. SUMMIT ACCOUNTS**

Another option available to clients is the Company's Summit Account. Summit Accounts are similar to Client Advisory Accounts, but the Company may manage the account on either a discretionary or non-discretionary basis (as determined by the client), and the client's assets are custodied at National Financial Services through Triad Advisors, Inc. ("Triad"), a registered broker-dealer. The Summit Account is designed to permit the Company to make investments in, or make recommendations concerning investments in, mutual funds, insurance products (including variable annuity sub-accounts), stocks, options and bonds pursuant to investment objectives chosen by the client. In addition, investors can buy or sell a variety of no-load or load-waived mutual funds (*i.e.*, without transaction charges); however, such transactions in mutual funds may result in other fees (such as contingent deferred sales charges or distribution fees) being charged to the account. In order to offer clients flexibility and one consolidated brokerage statement, stock and bond trading is available for discounted transaction charges.

The Summit Account may be suitable for accounts greater than \$50,000 that invest primarily in mutual funds. However, there is no minimum account size and fees are negotiable.

## **III. FINANCIAL PLANNING**

The Company offers the following financial planning services to its clients:

- Personal Financial Analysis
- Insurance and Estate
- Capital Needs Analysis
- Tax & Cash Flow
- Retirement
- Investment Analysis
- Education

Financial planning information will be obtained through personal interviews with the client concerning the client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, along with data gathered from the client. A written report is issued.

#### **IV. 401(K) / DAILY VALUATION QUALIFIED RETIREMENT PLAN PLATFORM**

The Company uses various internet-based 401(k) daily valuation retirement plan platforms, to deliver its 401(k) services to businesses across the United States. The platforms allow a company to offer its employees the widest possible array of investment options using daily valuation connectivity and multi-fund/multi-family investments.

In connection with providing such platform, the Company will enter into its agreement with the Responsible Plan Fiduciary and such plan's trustee(s) to provide non-discretionary investment advice for the 401(k) plan. The decision whether to implement or act upon the Company's recommendations or advice rests solely with the Responsible Plan Fiduciary. The services provided by the Company to such plan typically include the following:

- Assist in the development of an Investment Policy Statement, which establishes the investment policies and objectives for the plan;
- Assist in the search for and selection of mutual funds;
- Evaluate plan costs, mutual fund performance and risk;
- Monitor the suitability of all selected investment options and recommend changes when appropriate;
- Provide assistance to plan fiduciary(ies) regarding ongoing supervision and due diligence of mutual funds performance and risk metrics;
- When engaged to do so, may assist in the education of the plan participants about general investing principles and the investment alternatives available under the plan; and
- Assist the plan fiduciary(ies) in evaluating how to avoid or manage conflicts of interest.

#### **V. GENERAL INFORMATION ABOUT THE COMPANY**

Although Glass Jacobson's advice is not limited to such investments, Glass Jacobson's investment advice primarily relates to mutual funds and certain investment products. Clients with mutual funds and/or variable annuity sub-accounts in their portfolios are effectively paying the Company and the mutual fund/variable annuity advisor for the management of the client's assets. Such clients therefore are subject to both the Company's management fee and, indirectly, the management fee of the mutual funds or other investment options offered on the platform. For variable annuities, such indirect management fees include both fees to the manager of the variable annuity sub-account and fees to the insurance company (Mortality and Administrative).

Glass Jacobson tailors advisory services to the individual needs of its clients, by diversifying and managing each client's portfolio in line with the client's pre-defined investment objectives, risk tolerance, time horizon, financial information, and other various suitability factors that are determined. Such factors also include any restrictions the client may impose on investing in certain securities or types of securities. However, restrictions and other guidelines imposed by clients on the management of their accounts may affect the composition and performance of a client's portfolio.

Glass Jacobson manages client assets on a discretionary and a non-discretionary basis, as described in greater detail later in this brochure. As of December 31, 2011, Glass Jacobson managed \$194.2 million on a discretionary basis and \$63.8 million on a non-discretionary basis.

## ITEM 5. FEES AND COMPENSATION

The fees charged with respect to the various platforms available to clients are discussed below.

### I. CLIENT ADVISORY ACCOUNTS

#### MANAGEMENT FEE

The Company's Management Fee with respect to Client Advisory Accounts is based upon a percentage of the portfolio value on the last day of the prior quarter, and is billed in advance at the beginning of each quarter. Adjustments for significant contributions and withdrawals to the portfolio are prorated for the quarter in which the change occurs.

If a Client Advisory Account is opened during the quarter, the Management Fee will be prorated for the entire quarter and based on the beginning account value. The account will be charged two fees during the first billing cycle to reflect the partial quarter when the account was opened (payment in arrears) and the current quarter (billing in advance).

For Client Advisory Accounts, the Management Fee is charged according to the following fee schedule:

For account relationships of \$1 million or more:

PORTFOLIO VALUE	ANNUAL RATE
First \$2,000,000 of assets	1.00%
Next \$3,000,000 of assets	0.85%
Next \$5,000,000 of assets	0.75%
Over \$10,000,000 of assets	0.50%

For account relationships of less than \$1 million:

\$0 - \$250,000	1.50%
\$250,001 - \$1,000,000	1.25%

Although the Management Fee listed above is a standard fee, such fee may in some circumstances be negotiable according to a variety of factors, such as size and type of account, complexity, relationship to the Company (including with respect to services provided to client by the Company or its affiliates), its owners and employees, etc.

Clients grant the Company written authority to receive quarterly payments directly from the client's account held by the custodian. The Company will send to the client an informational invoice, showing the amount of the fee to be charged to the account, the value of the client's assets on which the fee is based, and the specific manner in which the fee is calculated. Fees for each quarter are noted on the monthly statement each client receives from the custodian one month after quarter-end.

In addition to the above Management Fee and the BAA service fee, Client Advisory Accounts are assessed brokerage and transaction charges with respect to trades placed for the account. These charges are paid to the account custodian for effecting transactions, and may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. Please refer to the section below entitled, "Brokerage Practices" for additional information. Clients do not pay a separate custodial fee.

The client may also incur certain charges imposed by third parties other than the Company in connection with investments made through the account. These charges, including, but not limited to, mutual fund 12b-1 distribution fees (paid to the custodian), or certain deferred sales charges on previously purchased mutual funds purchased while the account was custodied at a prior custodian. These fees are disclosed in the fund's prospectus provided to the client by outside third parties.

An Advisory Agreement may be terminated by either party upon giving written notice of such termination to the other party, which shall be effective when received by the other party. The client will be entitled to a pro-rata refund of any prepaid quarterly account fee based upon the number of days remaining in the quarter after termination date.

## **II. SUMMIT ACCOUNTS**

The Summit Account may be suitable for accounts greater than \$50,000 that invest primarily in mutual funds. However, there is no minimum account size and fees are negotiable.

The Company charges a Management Fee in connection with its services to Summit Account clients according to the following fee schedule:

PORTFOLIO VALUE	ANNUAL RATE
\$0 - \$ 250,000	1.50%
\$250,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	1.00%
Assets over \$2,000,000	0.90%

Minimum Fee for accounts less than \$50,000 - \$31.25 per quarter

Triad does not charge clients a separate custodial fee. However, Triad charges the Company an annual service charge of up to .25% of the value of the account upon which the Management Fee is based. Such fee is payable by the Company and not the client.

The Company's Management Fee is billed directly to, and deducted from, the Summit Account. The amount of such fee is noted on the statements provided to clients by the custodian. Clients may select a monthly or quarterly billing cycle.

With respect to accounts with quarterly billing, fees are calculated at the end of the quarter and charged during the first month of the quarter based on the average daily balance of the account during the quarter.

If a Summit Account is opened in the first or second month of a quarter, the account will be charged one fee during its first billing cycle, which will occur during the first full month after the account is established. The first fee is prorated for the number of days the account was open based on the start date through the end of the month. The fee will be based on the average daily balance of the account during the first partial month.

If a Summit Account is opened in the third month of a quarter, it will be charged two fees in its first billing cycle. The first fee is for its partial month. The second fee is for the upcoming full quarter. The fees will be charged on the 15<sup>th</sup> business day of the first full month, or the first month of the next quarter. The fee will be based on the average daily balance of the account during its first partial month.

With respect to accounts with monthly billing, the account is billed for the first partial month and the first full month during the first full month. Fees are calculated based on the average daily balance during the first partial

month. Thereafter, all monthly fees are charged in the current month based on the prior month's average daily balance.

In addition to the above Management Fee, Summit Accounts are assessed brokerage and transaction charges with respect to trading in the account (other than with respect to purchases of no-load or load-waived mutual funds). Such charges are paid to Triad and may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. Please refer to the section below entitled, "Brokerage Practices" for additional information.

A Summit Account may be terminated by the client, the Company, or Triad upon written notice to the others, which shall be effective when received by the other parties or upon (10) business days from the date of the termination notice, whichever occurs sooner or, if a later termination date is specified in the notice, on that specified date. The client will be entitled to a pro-rata refund of any prepaid account fee based upon the number of days remaining after termination date. A full refund will be provided if the client terminates the contract, in writing, within five (5) business days of execution of the contract.

If a Summit Account is closed after five business days, but within the first year, the client will pay an early termination fee to cover the administrative costs of establishing the account. The fee is based on the number of trades placed on behalf of the account for the calendar quarter in which the account is closed, as follows:

Quarter Closed	Termination Fee (Rate charged per trade)
1st	\$25
2nd	\$20
3rd	\$15
4th	\$10

No termination fee is charged if no trades were placed for the account.

### **III. FINANCIAL PLANNING**

The Company charges either a fixed fee that generally ranges between \$2,500 and \$25,000 or an hourly fee for financial planning and/or estate planning services. When the scope of the services has been agreed upon, a determination will be made as to the applicable fee. The final fee, subject to negotiation, is directly dependent upon the client's financial situation, the complexity of the requested service, and the time involved in providing the client with the requested service. Generally, if the client chooses to proceed, 100% of the estimated fee is due and payable upon completion of the contracted services. However, the Company may, in its discretion, request that the client pay an initial retainer in advance of any services rendered and progress payments as services are performed with the balance due and payable upon completion of the contracted services. Under no circumstances will the Company require prepayment of a fee more than six months in advance and in excess of \$500.

The Company or the client may terminate the agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party may terminate the financial planning agreement by providing written notice to the other party. In the event there are any prepaid unearned fees, the Company will return a pro rata share to the client.

Certain investment adviser representatives of the Company also serve as registered representatives of Triad Advisors, Inc. ("Triad"), a registered broker-dealer. A conflict of interest may exist between the interests of the Company and the interests of its clients when the Company recommends securities that may be purchased through such registered representatives. In such cases, the registered representative would receive a commission on the purchase or sale recommended by the Company. This gives such registered representative an incentive to



recommend investment products based on the compensation received, rather than on a client's needs. Glass Jacobson believes that such conflict is addressed by fully disclosing to clients in this brochure and in its financial planning agreements that such registered representative may receive additional compensation on the purchase or sale of certain securities. Additionally, no client is under any obligation to act on the Company's recommendation. If a client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through a registered representative who is also an investment adviser representative of the Company, and clients have the option to purchase investment products recommended by the Company through other brokers or agents that are not affiliated with the Company.

Typically, the Company recommends no-load and load-waived mutual funds to its clients. Clients benefit from not paying a sales commission to purchase a mutual fund but may pay a nominal transaction fee to the account custodian.

Similarly, certain investment adviser representatives of the Company are licensed to sell life, health and annuity insurance products through various companies. They may receive compensation for the sale of such products. The client is under no obligation to purchase insurance products through such investment adviser representatives and is free to choose the sources through which to implement the recommendation.

#### **IV. 401(K) / DAILY VALUATION QUALIFIED RETIREMENT PLAN PLATFORM**

In connection with its services to 401(k) plans, the Company charges an advisory fee according to the following fee schedule:

PORTFOLIO VALUE	ANNUAL RATE
\$0 - \$2,000,000 of assets	1.00%
\$2,000,001 - \$3,000,000 of assets	0.75%
\$3,000,001 - \$5,000,000 of assets	0.60%
\$5,000,001 - \$10,000,000 of assets	0.50%
\$10,000,001 - \$15,000,000 of assets	0.40%
\$15,000,001 - \$20,000,000 of assets	0.35%
Over \$20,000,000 of assets	negotiable

\*The advisory fee will be adjusted according to the schedule breakpoints once plan assets cross asset thresholds as of quarter end and maintain the specified level of assets for three consecutive quarters.

\*\*For plans with more than 100 participants, additional fees may apply and are dependent upon the level of services required by the plan.

These fees may be negotiable in the Company's sole discretion, based on certain factors including, but not limited to: plan size, the number of plan participants, and the plan's relationship with the Company.

The fee is based upon a percentage of the value of the portfolio, as it may increase or decrease during the engagement, and generally is billed quarterly in advance, but may for some plans be billed in arrears. The amount is calculated using the value of the portfolio based on the prior quarter's ending market value.

The Company's fees are billed directly to and paid from the plan's participant accounts by the plan custodian unless other payment/reimbursement provisions are made in advance with the Company. However, if the annual advisory fee is less than \$5,000 (based on the above fee schedule), then the plan sponsor is responsible for paying the difference between the amount paid by the plan's participant accounts and \$5,000. Any fees that are the plan sponsor's responsibility are billed directly to the plan sponsor. Any fees paid by the participant accounts will be fully disclosed on the participants' quarterly statement (unless reimbursed by the plan sponsor). Any participant-level reporting is the responsibility of the plan's recordkeeper, and not the Company.

The agreement may be terminated by either party, with or without cause, upon ten days prior written notice to the other party. Such termination will be effective ten days after written notification is given. Fees paid in advance are then pro-rated to the date of termination, and any unearned portion is refunded.

## ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This Item is not applicable to Glass Jacobson.

## ITEM 7. TYPES OF CLIENTS

Glass Jacobson generally provides investment advice to: individuals; 401(k), defined contribution, and defined benefit pension plans; trusts; estates; and charitable organizations.

With respect to Client Advisory Accounts, the Company generally does not manage accounts with initial deposits less than \$250,000. Accounts below this minimum may be negotiable and accepted on an individual basis at the Company's discretion.

With respect to Summit Accounts, the minimum account size to open and maintain the account is \$50,000. Occasionally, exceptions may be made at the discretion of Glass Jacobson.

Glass Jacobson does not impose a minimum dollar amount for financial planning clients, or for plans participating in the 401(k) platform. However, if the Company's advisory fee with respect to a 401(k) plan client amounts to less than \$5,000 per year, then the plan sponsor is responsible for paying the difference between the amount paid by the plan's participant accounts and \$5,000.

## ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

**Methods of Analysis.** The Company's investment process is designed to allocate client assets using a global asset class diversification strategy to manage portfolio risk (using mutual funds and individual bonds). Glass Jacobson identifies permissible investments for client portfolios after examining historical returns as benchmarked to peer performance and asset class indices, risk and valuation measurements, internal costs, sales loads, and manager tenure. The Company selects, monitors and assesses performance of mutual fund advisors on an ongoing basis. The Company also provides advice as to the following types of securities: exchange-traded funds ("ETFs"); corporate debt securities (other than commercial paper); certificates of deposit; municipal securities; U.S. Government and agency obligations; and FDIC-insured equity-linked certificates of deposit.

**Investment Strategies and Related Risks.** Investment strategies used by the Company in managing clients' assets include long term securities purchases (*i.e.*, securities held at least one year) and short term securities purchases (*i.e.*, securities sold within one year of purchase).

A mutual fund pools money together from many small investors and the fund's manager may purchase stocks, bonds or other securities within the fund. Investors that contribute money to a mutual fund get a stake in all its investments. The price for a share of a mutual fund is determined by the fund's net asset value ("NAV"), which is the total value of the securities the fund owns divided by the number of shares outstanding. A mutual fund's NAV changes every day, depending on the price fluctuations of the fund's holdings. Typically, the Company

recommends no-load and load-waived mutual funds to its clients. Clients benefit from not paying a sales commission to purchase a mutual fund but may pay a nominal transaction fee to the account custodian. A sales commission, or “load” may be imposed on client portfolios purchasing mutual funds.

Mutual funds face risks based on the investments they hold. Depending upon the types of mutual funds selected for a client’s account (which is dependent upon such client’s investment profile), one or more of the following risks, as well as certain additional risks, should be considered:

- **Call Risk.** The possibility that falling interest rates will cause a bond issuer to redeem—or call—its bond before the bond's maturity date.
- **Country Risk.** The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Credit Risk.** The possibility that a bond issuer will fail to repay interest and principal in a timely manner. Also called default risk.
- **Currency Risk.** The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk.** The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- **Industry Risk.** The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk.** The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- **Interest Rate Risk.** The possibility that a bond fund will decline in value because of an increase in interest rates.
- **Manager Risk.** The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk.** The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods of rising or falling prices.
- **Principal Risk.** The possibility that an investment will decline in value, or "lose money," from the original or invested amount.

With respect to individual securities selected or recommended for a client’s account, the following risks should be considered:

**Equity securities.** Prices of equity securities change in response to many factors including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

**Corporate debt securities, municipal securities and U.S. Government securities** face risks related to interest rates, credit risk and income. Bond values are inversely related to interest rates. If interest rates rise, bond values will decline and vice versa.

**Certificates of deposit (“CDs”),** although commonly considered to be safe investments, nonetheless carry certain risks, including those relating to lower yields, and interest rate fluctuation. Because of the relative safety and short-term nature of CDs, yields on CDs tend to be lower than other higher risk investments. In addition, like all fixed income securities, CD prices are susceptible to fluctuations of interest rates. If interest rates rise, the market price of outstanding CDs will generally decline.

FDIC-insured equity-linked CDs may tie the rate of return to the performance of a stock index (for example, the S&P 500 Composite Stock Price Index) or a pre-selected group of stocks. Generally, the FDIC insurance covers the

principal and any insured returns within the limits of the equity-linked CDs. The terms of these CDs vary; typically the term is three to eight years. Therefore, there is no guarantee that any payment in excess of the principal amount will be paid. Such CDs face additional risks, including that investors typically will have limited opportunities, if any to redeem their equity-linked CDs prior to maturity and, in the event it is sold prior to maturity, it may be worth less than its purchase amount or face value. Principal value is guaranteed if held to maturity, subject to FDIC limits. Investors may incur substantial loss if the security is sold prior to maturity.

Clients should understand that investing in securities involves risk of loss that clients should be prepared to bear.

## ITEM 9. DISCIPLINARY INFORMATION

Not Applicable.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain investment adviser representatives ("IARs") of the Company, including certain management personnel, also serve as registered representatives of Triad Advisors, Inc. ("Triad"), a registered broker-dealer. A conflict of interest may exist between the interests of the Company and the interests of its financial planning clients when the Company recommends securities that may be purchased through such registered representatives. In such cases, the registered representative would receive a commission on the purchase or sale recommended by the Company. No such client is under any obligation to act on the Company's recommendation. If a client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through a registered representative who is also an investment adviser representative of the Company.

Similarly, certain investment adviser representatives of the Company, including certain management personnel, are licensed to sell life, health and annuity insurance products through various companies. They may receive compensation for the sale of such products. The financial planning client is under no obligation to purchase insurance products through such investment adviser representatives and is free to choose the sources through which to implement the recommendation.

The Company's IARs that also serve as registered representatives of Triad do not serve as brokers with respect to the accounts of any advisory clients who do not also have a separate brokerage agreement with such registered representative. Thus, the Company's IARs do not receive commissions in connection with any transactions placed by the Company on behalf of its advisory clients. If, however, an advisory client has a separate brokerage or other relationship with such IAR, that IAR can place trades for such clients and/or sell insurance products to such clients (and receive commissions in connection therewith).

Edward Joel Jacobson and Michael Wayne Cohen, each a Managing Member of the Company, are shareholders of a CPA Firm (Glass Jacobson, PA) and practicing CPAs, spending approximately 75% of their time in this area. Glass Jacobson, PA routinely refers its accounting clients to the Company for investment advisory and financial planning services.

## ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Glass Jacobson has adopted a Code of Ethics, predicated on the principle that Glass Jacobson owes a fiduciary duty to its clients. The Code of Ethics establishes certain policies and procedures for Glass Jacobson's employees; in particular the Code sets forth a policy with respect to the following: receipt of gifts; personal securities trading;

and outside business activities. The Code also includes a prohibition on insider trading. The Code is administered by the Company's Chief Compliance Officer, and each employee must review the Code and acknowledge their receipt and compliance with the Code at least annually.

Related persons of the Company may own, purchase, or sell securities which are also recommended for purchase or sale to clients. Such personal securities trading poses the potential for conflicts between the interests of the Company's related persons and the interests of clients, including conflicts in connection with the following: pricing of securities; commission rates received; timing of transactions; and limited availability of securities. In addition, related persons of the Company may at times buy or sell securities for a client's account at or about the same time that such related person trades in the same securities for his or her own account.

To address these potential conflicts, Glass Jacobson has determined that orders for clients shall always take priority over orders for the related persons of the Company. Clients will always be accorded the best price and execution in those transactions involving the same security. In addition, when trades for clients and Company employees are placed on an aggregated basis, such trades must be made in compliance with the Company's Trade Aggregation Policy. This Policy requires that all accounts participating in an aggregated trade order shall receive the average price and pay a pro-rata portion of commissions. Such purchases or sales by Company employees must also be made in compliance with the Code of Ethics, which prohibits certain acts to avoid potential conflicts of interest. In particular, the Code provides that no employee may engage in personal securities transactions with respect to limited offerings without obtaining advance preclearance of such transactions. The Code also prohibits employees from participating in an initial public offering ("IPO") or any new issue of equity securities. In addition, the Code prohibits employees from "front running" client accounts, which is a practice generally understood to be employees personally trading ahead of client accounts.

Current or prospective clients may obtain a copy of the Company's Code of Ethics upon request.

## ITEM 12. BROKERAGE PRACTICES

For Client Advisory Accounts, the Company requires that clients establish brokerage accounts with Schwab Institutional ("Schwab"), a division of Charles Schwab & Co., Inc., or Fidelity Registered Investment Advisor Group ("Fidelity"), a division of Fidelity Investments, to maintain custody of clients' assets and to effect trades for their accounts. Both custodians' services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. The custodians generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the custodian or that settle into the custodian's accounts. For Summit Accounts, the client's assets are custodied at National Financial Services ("NFS") through Triad Advisors, Inc. ("Triad"). Triad's services for Summit Accounts include custody, brokerage and access to no-load (or load-waived) mutual funds. NFS/Triad does not charge separately for custody but the Company pays Triad an annual service charge of up to .25% of the value of the Summit Account. Not all advisers require their clients to utilize the services of particular custodians. These custodians are registered broker-dealers and are not affiliated with Glass Jacobson.

Clients may direct Glass Jacobson in writing to engage in directed brokerage transactions (*i.e.*, using a broker other than Schwab, Fidelity or Triad). Should the client choose to do so, the Company's ability to obtain the best price and execution with respect to such client's account may be hindered, and the decision by a client to direct brokerage to a particular broker-dealer may cost the client more money. In particular, such client may pay brokerage commissions that exceed the commissions charged by other broker-dealers, including Schwab, Fidelity and Triad. In addition, a client who designates the use of a particular broker/dealer should understand that it will lose possible advantages that other clients derive from the aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security. The ability of the Company to effectively negotiate

commission rates could also be affected by a client designating the use of a specific broker/dealer, and as a result, Glass Jacobson may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

Orders for the same security entered on behalf of more than one client may be aggregated (bunched) when the Company believes doing so to be in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro-rata portion of commissions.

Instances in which client orders will not be aggregated include, but are not limited to, the following:

- Clients directing the Company to use certain broker/dealers, in which case such orders shall be separately effected;
- Traders and/or portfolio managers determine that aggregation is not appropriate because of market conditions; and
- Portfolio managers must effect the transactions at different prices, making aggregation unfeasible.

The custodians may provide services which include research, brokerage, and custody of assets. The custodians also make available to the Company other products and services that benefit the Company but may not directly benefit its clients' accounts. Some of these other products and services assist the Company in managing and administering clients' accounts. Such products and services benefit Glass Jacobson because the Company does not have to produce the research or pay for such research, products or services. These include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements);
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts);
- Provide research, pricing information and other market data;
- Facilitate payment of the Company's fees from its clients' accounts; and
- Assist with back-office support, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of the Company's accounts, even though the accounts may not be custodied with that particular custodian. The custodians may also provide the Company with other services intended to help the Company manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. The custodians may discount or waive fees it would otherwise charge for some of these services to the Company. This creates an incentive for Glass Jacobson to select the custodians for its clients' accounts. While as a fiduciary, the Company endeavors to act in its clients' best interests, the Company's requirement that clients maintain their assets with one of these custodians may be based in part on the benefit to the Company of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

Within the last fiscal year, brokers with which the Company does business made available to the Company and its related persons access to the following:

- Software and other technology that (i) provides access to client account data, (ii) facilitates trade execution, (iii) provides research and pricing information, (iv) facilitates fee payment, and (v) assists with back-office support; and

- Publications and presentations on (i) practice management, (ii) information technology, (iii) business succession, (iv) regulatory compliance, and (v) marketing.

Best Execution – With respect to Client Advisory Accounts and Summit Accounts, the Company has established its brokerage and custody relationships with Schwab, Fidelity, and Triad based upon the Company’s assessment of the standard of service needed to properly manage an investment advisory practice. Glass Jacobson annually reviews its criteria and assesses the commitment of these broker/custodians to maintaining or surpassing industry standards in technology, service innovation, and adviser support. The decision to use these custodians recognizes that price is not the only factor involved when executing client trades, but rather the value maximized in the client portfolio given each of the stated investment objectives and constraints. Though the Company believes these companies provide the best overall value for client custody and brokerage activity, the client can likely find less costly alternatives to facilitate the execution of equity or fixed income trading. In other words, clients may on occasion pay commissions higher than those charged by other broker-dealers.

With respect to financial planning clients, the Company does not have discretionary authority to determine securities to be bought or sold for the client, the amount of securities to be bought or sold, the broker or dealer to be used, or the commission rate paid. On occasion, the Company may recommend securities that may be purchased through associated persons of the Company in their capacity as registered representatives of Triad, or recommend other products (such as life insurance or annuities) that may be purchased through an associated person of the Company who holds a license to sell such products. The client is free to choose the sources through which investment advisory recommendations may be implemented.

With respect to financial planning clients, the Company has no preference where clients custody assets or the brokers that are selected for trading. However, when the client desires to create a portfolio of mutual funds and/or specific securities, the Company will provide the client with the names of brokers from which the client may choose if asked. The investment adviser representative working with the client will make recommendations to the client as to which broker he/she wishes to deal with. The investment advisor representative will base this recommendation on his/her professional experience in working with a particular broker/custodian, the needs of the client and the services provided by the broker/custodian, such as: ability to execute trades, margin rates, on-line access to accounts, transaction charges, duplicate monthly statements, access to mutual funds, including lower sales charges than for direct purchases, and lower minimum purchase amounts. Glass Jacobson does not expect that clients will pay commissions to brokers the investment adviser representative recommends that are higher than those obtainable from other brokers for comparable client services. However, there can be no assurance that clients will pay the lowest commissions available.

### ITEM 13. REVIEW OF ACCOUNTS

For Client Advisory Accounts and Summit Accounts, each client account is reviewed at least annually by the account’s Investment Adviser Representative (“IAR”), who may be part of a team responsible for managing the account. In connection with such review, the client’s portfolio allocation is compared to the account’s investment policy and a determination is made by the IAR as to whether a recommendation should be made to the client regarding portfolio re-balancing. Additionally, the client and the IAR assigned to the account will meet on an “as needed” basis for a more comprehensive review of the portfolio’s performance and to discuss changes in investment objective, portfolio re-balancing, investment restrictions or other matters as required by the client.

In general, the Company has five IARs responsible for reviewing accounts, whether individually or as part of a team. Of these four IARs, one is a Managing Member of the Company, two are Senior Financial Advisors of the Company and one is a Financial Advisor and Director of Retirement Plan Services. Depending on a variety of factors (including the number of new accounts established during the year; whether the IAR operates individually or as part of a team with respect to certain accounts; the number of additional IARs hired by the Company during

the year; etc.) each reviewer could have responsibility for a small handful of accounts (*e.g.*, fifteen) to a large number of accounts (*e.g.*, over 100). Given the factors determining the number of accounts reviewed by each IAR, these numbers could fluctuate throughout the year.

Glass Jacobson furnishes written performance reports to its Client Advisory Accounts and Summit Accounts on a quarterly basis. The reports are intended to inform clients as to how their investments have performed during the selected period. In addition, the client receives a monthly account statement from the custodian showing account activity, as well as positions held in the account at month end. Clients also receive a confirmation of each transaction that occurs within his or her account.

For financial planning accounts, the Company encourages an annual review. In most cases, a review of a client's financial plan would require a new engagement between the client and the Company.

401(k) Retirement Plan Fiduciaries are provided annual written reports assessing the overall investment process of the plan's operation. The report assesses plan cost; and investment screening, monitoring and supervision processes. Investment performance is benchmarked to peer group averages and market indices. Likewise, such factors as risk, style consistency, suitability and manager tenure are reviewed for each individual mutual fund offered on its platform.

## ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

### CLIENT REFERRALS

The Company does not compensate any third-parties for client referrals.

### COMMISSIONS

With respect to financial planning clients, when clients determine to place trades through one of the Company's investment adviser representatives that also serves as a registered representative of Triad, such registered representative may receive commissions on such trades. In connection with the placement of client funds into mutual funds, compensation to such registered representative may take the form of front-end sales charges, redemption fees and 12(b)-1 fees or a combination thereof. The mutual fund's prospectus will give explicit detail as to the method and form of compensation. In addition, certain investment adviser representatives of the Company are licensed to sell life, health and annuity insurance products through various companies, and they may receive compensation for the sale of such products.

### OTHER ECONOMIC BENEFIT

On occasion, a client may be in need of services provided by a third party qualified plan administrator. If requested, the Company may refer the client to American Retirement Plan Services ("ARPS"), who serves as plan administrator for the Company's qualified plan. Although there is no referral arrangement between ARPS and the Company, as a result of referrals made by the Company in the past, ARPS charges a reduced fee for the ongoing administration services it provides with respect to the Company's qualified plan. Consequently, a conflict between the interest of the Company and those of its clients exists, and in order to mitigate the conflict of interest, the Company is making this disclosure. The client is under no obligation, contractual or otherwise, to retain the services of ARPS.

In the past the Company served as an external solicitor for Strategic Wealth Management Group, LLC ("SWMG") and Pinnacle Advisory Group ("PAG"). Such services were provided pursuant to a referral arrangement with each of SWMG and PAG. In connection therewith, the Company receives 25% of SWMG's investment advisory fee



charged to clients referred to SWMG by the Company, and 30% of PAG's investment advisory fee charged to clients referred to PAG by the Company. Although the Company no longer maintains a referral relationship with SWMG or PAG, a number of referred clients remain with SWMG and PAG.

#### ITEM 15. CUSTODY

Glass Jacobson is deemed to have "custody" over certain of its Client Advisory Accounts and Summit Accounts, based on its authority to withdraw its fees directly from such accounts. As a result, in order to comply with the SEC's "Custody Rule," Glass Jacobson has taken steps to ensure that the qualified custodian maintaining such accounts sends to clients quarterly account statements: (i) identifying the amount of funds and of each security in the account at the end of the quarter; and (ii) setting forth all transactions in the account during the quarter. Thus, clients should expect to receive from their account custodians such statements on a quarterly basis, and are encouraged to review such statements carefully. In addition, Glass Jacobson sends each of its clients a quarterly performance report, and urges its clients to compare these reports with those received from the account custodian.

#### ITEM 16. INVESTMENT DISCRETION

The Company accepts discretionary authority to manage securities accounts on behalf of certain clients. Such clients are required to execute a limited power of attorney, as part of the Company's standard engagement with such clients, in order that the Company may carry out this authority. Notwithstanding this discretionary authority, the Company manages the accounts only in accordance with the investment mandates, guidelines, and/or restrictions (if any) that have been provided by such clients. Client-imposed restrictions can include restrictions on specific securities or restrictions on categories of securities, such as by industry or based on social criteria. Such restrictions customarily include requirements that specific securities remain in a client's account, and/or that such account should recognize only a minimal amount of gain for income tax purposes.

#### ITEM 17. VOTING CLIENT SECURITIES

Proxy voting is a client responsibility, and as a result, Glass Jacobson does not assume responsibility to vote proxies on behalf of its clients. In addition, Glass Jacobson will not take any action or render any advice involving legal matters, including securities class actions on behalf of its clients with respect to securities or other investments held in the client's account. Upon a client's request, however, the Company may assist clients in the collection of data with regard to the filing of claims should they relate to investments purchased on such client's behalf while a client of the Company. The Company does not respond to client questions regarding particular proxy solicitations. The custodian maintaining the client's account will send proxy and class action information directly to such client. In the event that the Company receives any such material on behalf of a client, it will promptly forward that material to the client.

#### ITEM 18. FINANCIAL INFORMATION

The Company is not subject to any financial condition reasonably likely to impair its ability to meet contractual commitments to clients.

#### ITEM 19. STATE REGISTERED ADVISERS

This item is not applicable to Glass Jacobson.