

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

### Whitcomb & Hess, Inc.

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**February 24, 2012**

This brochure provides information about the qualifications and business practices of Whitcomb & Hess. If you have any questions about the contents of this brochure, please contact us at 419-289-7007 or [rkline@whitcomb.com](mailto:rkline@whitcomb.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Whitcomb & Hess is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 121064.

## Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July 2010. This Firm Brochure, dated **February 24, 2012**, is our disclosure document prepared according to the SEC's new requirements and rules. The new rule requires us to provide this information in a "plain English" narrative format. We have always provided our Part 2 of Form ADV (previously known as our Disclosure Statement) in this format; however, this document contains new information that we were not previously required to include. This document replaces our Disclosure Statement.

This item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

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

Whitcomb & Hess, Inc. is changing from registration with the SEC to registration with the state of Ohio and any additional states, as needed.

Tracy L. Eichelberger is an Investment Advisor Representative of Whitcomb & Hess, Inc.

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-By-Side Management	8
Item 7	Types of Clients	8
Item 8	Methods of Analysis, Investment Strategies, Risk of Loss, and Trade Error Policy	8
Item 9	Disciplinary Information	10
Item 10	Other Financial Industry Activities and Affiliations	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	10
Item 12	Brokerage Practices	12
Item 13	Review of Accounts	13
Item 14	Client Referrals and Other Compensation	14
Item 15	Custody	14
Item 16	Investment Discretion	14
Item 17	Voting Client Securities	15
Item 18	Financial Information	15
Item 19	Requirements for State-Registered Advisors	15
S 1	Supplement — Aaron L. Bates	17
S 2	Supplement — Ryan T. Gilmer	20
S 3	Supplement — Tracy L. Eichelberger	23

## Item 4 Advisory Business

Whitcomb & Hess, Inc. ("Whitcomb & Hess") was founded in 1983 by the late Edward L. Whitcomb and James H. Hess. Mr. Hess still serves as the President and Chief Executive Officer and is the principal owner of the firm. Whitcomb & Hess is located in Ashland, Ohio.

Whitcomb & Hess is a Certified Public Accounting (CPA) and investment advisory firm, whose primary business is providing tax, accounting, and management services to individuals and corporations. In addition to this practice, Whitcomb & Hess provides investment advisory and portfolio management services, and consulting services.

Whitcomb & Hess is a registered investment advisor (RIA) in the state of Ohio and is registered in any other states as necessary. Whitcomb & Hess is also an Ohio licensed insurance agency.

Whitcomb & Hess offers the following advisory services to our clients:

### *INVESTMENT ADVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT*

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Although our investment advice is offered concerning predominantly **no-load and institutional mutual funds**, we may also recommend:

- Certificates of deposit
- Municipal securities
- Securities traded over-the-counter
- Variable annuities
- Exchange-listed securities
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- United States governmental securities

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

### *AMOUNT OF MANAGED ASSETS*

As of **February 24, 2012**, we were actively managing **\$64,800,063** of clients' assets on a discretionary basis, plus **\$15,894,815** of clients' assets on a non-discretionary basis.

### *PENSION CONSULTING SERVICES*

Our Pension Consulting Services are comprised of three distinct services. Clients may choose to use any or all of these services.

#### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate. The number of investments to be recommended will be determined by the client.

#### *Monitoring of Investment Performance:*

We monitor client investments continually. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications:*

For pension, profit sharing, and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide annual educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in the Employee Retirement Income and Securities Act ("ERISA") Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### *AMOUNT OF ASSETS IN 401(K) PLANS FOR WHICH WE PROVIDE CONSULTING SERVICES*

As of February 24, 2012, we were providing pension consulting services to seven (7) 401(k) plans with assets totaling **\$6,684,657**.

### *FINANCIAL PLANNING*

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information, and financial goals.
- **TAX AND CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH AND DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning, and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, powers of attorney, and asset protection plans. In addition we will assess nursing home costs, Medicaid, elder law, and estate taxes.

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

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning, and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## **Item 5 Fees and Compensation**

As detailed in the Investment Advisory Agreement, portfolio management and investment advisory services are provided for a percentage of assets under management.

Whitcomb & Hess does not receive any performance-based compensation. Fees are not based on capital appreciation. Fees are not negotiable.

Fees are calculated and billed each quarter in advance, based on the fair market value of assets at the end of the prior quarter. Fees will be automatically withdrawn from your account on or about the first business day of each quarter, unless other payment arrangements are made in advance. Payment of management fees will be made by the qualified custodian holding the funds and securities, provided that you supply written authorization permitting the fees to be paid directly from the account. Whitcomb & Hess will not have access to funds for payment of fees without your written consent.

Further, the qualified custodian agrees to deliver a monthly account statement directly to you, showing all disbursements from the account. You are encouraged to review all account statements for accuracy. Whitcomb & Hess will receive a duplicate copy of the statement that was delivered to you.

Percentages used for fee calculations are as follows:

<b>Individuals and Organizations Portfolio Management Fees</b>		<b>Pension Consulting Fees</b>
<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Annual Fee for All Asset Levels</b>
On the first \$1 million	1.00% *	0.75% *
On the next \$4 million	0.75%	
On the next \$5 million	0.65%	
On assets over \$10 million	0.50%	

\*With a minimum fee of \$25 per quarter

*Simple IRA accounts:* In an effort to deter the misuse or abuse of Simple IRA plans, there is an additional transaction fee of \$50 for each early withdrawal from an individual Simple IRA account. This fee will be automatically withdrawn from the account at the time of the request. Simple IRA clients may avoid this \$50 fee by contacting the custodian of the assets directly for the withdrawals. There is no fee for withdrawals after the client reaches the age of 59 ½.

#### **FINANCIAL PLANNING FEES**

Whitcomb & Hess' Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$250 to \$2,500, depending on the specific arrangement reached with the client. We may request a 50% retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

#### **GENERAL INFORMATION**

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

*Mutual Fund Fees:* All fees paid to Whitcomb & Hess for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In

that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

*Wrap Fee Programs and Separately Managed Account Fees:* Whitcomb & Hess does not participate in Wrap Fee Programs or Separately Managed Accounts.

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

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

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

*Limited Prepayment of Fees:* Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Whitcomb & Hess does not charge performance-based fees.

## **Item 7 Types of Clients**

Whitcomb & Hess is a CPA and investment advisory firm, whose principal business is providing tax, accounting, and management services to individuals and corporations. In addition to this practice, Whitcomb & Hess provides investment advisory and portfolio management services to individuals, corporations, trusts, estates, charitable organizations, and consulting services to participant directed qualified retirement plans. Whitcomb & Hess is also an insurance agency and offers financial planning services.

Whitcomb & Hess does not provide services to banks or thrift institutions, or investment companies.

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

### *METHODS OF ANALYSIS*

We use the following methods of analysis in formulating our investment advice and/or managing client assets:



*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

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

## *INVESTMENT STRATEGIES*

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

*Long-term purchases.* We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

*Short-term purchases.* When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A short-term purchase strategy poses risks should the anticipated price swing not materialize. We are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

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

## *RISK OF LOSS*

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

## *TRADE ERROR POLICY*

As a fiduciary, Whitcomb & Hess has the responsibility to effect orders correctly, promptly, and in the best interests of our clients. In the event any error occurs in the handling of any client transactions due to Whitcomb & Hess's actions, or inaction, or actions of others, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting Whitcomb & Hess in any way. If an error results in a gain, the gain will remain in your account. If an error results in a loss, Whitcomb & Hess will reimburse you.

## **Item 9 Disciplinary Information**

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

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Whitcomb & Hess is NOT a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor. Whitcomb & Hess has NO arrangements with any related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading advisor or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or entity that creates or packages limited partnerships. Whitcomb & Hess is NOT a general partner in any partnership in which clients are solicited to invest. Therefore NO conflicts of interest exist concerning other financial industry activities or affiliations.

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

### *CODE OF ETHICS*

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by e-mail sent to [rkline@whitcomb.com](mailto:rkline@whitcomb.com) or by calling us at 419-289-7007.

### *PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS*

Whitcomb & Hess does not recommend securities to clients in which we have any financial interest.

Whitcomb & Hess and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and record keeping provisions. The Code of

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

Whitcomb & Hess and individuals associated with our firm are prohibited from engaging in principal transactions. Whitcomb & Hess and individuals associated with our firm are prohibited from engaging in agency cross transactions. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

### *PERSONAL TRADING*

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation. As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice who has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

As a client of Whitcomb & Hess Investment Advisory Services, you may designate whether you wish to give Whitcomb & Hess discretionary authority to buy or sell securities, or direct the amount of securities to be bought or sold in your accounts under management with Whitcomb & Hess. Your Investment Advisory Agreement with Whitcomb & Hess establishes the amount of authority you are assigning. If you choose not to grant Whitcomb & Hess discretionary authority over your account, or, if you choose to impose certain other restrictions on the management of your account, you should understand that such restrictions may adversely affect the management of the account or the ability to meet your investment objectives. For example, you may pay a different price for investments due to the delay involved in obtaining your approval for each trade.

Whitcomb & Hess does not require clients to use specific broker-dealers, however, Whitcomb & Hess requests that clients direct us to place trades with the Schwab Institutional division of **Charles Schwab & Co., Inc.** ("Schwab"), a FINRA registered broker-dealer, member SIPC. Whitcomb & Hess has evaluated Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients. We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account.

In directing the use of a particular broker, it should be understood that Whitcomb & Hess will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker). Clients should note, while Whitcomb & Hess has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers.

The factors considered by Whitcomb & Hess when recommending a broker are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to affect trades through any recommended broker.

As a matter of policy and practice, Whitcomb & Hess does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

### ***OUR RELATIONSHIP WITH SCHWAB***

Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Whitcomb & Hess is independently owned and operated and not affiliated with Schwab. Schwab provides Whitcomb & Hess with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

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

Schwab Institutional also makes available to our firm other products and services that benefit Whitcomb & Hess but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab. Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; provide research, pricing and other market data; (iii) facilitate payment of our fees from clients' accounts; (iv) and assist with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Whitcomb & Hess. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **Item 13 Review of Accounts**

### ***INVESTMENT ADVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT***

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by one of our Investment Advisor Representatives, Aaron Bates, CFP®; Ryan Gilmer or Tracy Eichelberger.

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

### ***PENSION CONSULTING SERVICES***

**REVIEWS:** Whitcomb & Hess will review the investment options of the plan at least annually, and whenever the client advises us of a change in circumstances regarding the needs of the plan. These accounts are reviewed by one of our Investment Advisor Representatives, Aaron Bates, CFP®; Ryan Gilmer or Tracy Eichelberger.

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

### *FINANCIAL PLANNING SERVICES*

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

*REPORTS:* Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

The policy of Whitcomb & Hess is not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm. The policy of Whitcomb & Hess is not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement. In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

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

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

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

## **Item 17 Voting Client Securities**

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

## **Item 18 Financial Information**

Whitcomb & Hess has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Whitcomb & Hess has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 Requirements for State-Registered Advisors**

James H. Hess, CPA, Managing Principal

- B.S. in Accounting degree from Ohio Northern University, Ada, Ohio
- Co-founded the firm in 1983.
- Areas of expertise include Business and Individual Tax, Succession and Estate Planning, Business Management Advisory Services, Strategic Planning, and Business Transition Planning.

William S. Harvey, CPA, Account Manager and Shareholder

- B.S. in Business Administration degree, Major in Accounting and Minor in Economics, Ashland University, Ashland, Ohio.
- Joined Whitcomb & Hess in 1984.
- Areas of expertise include Financial Accounting, Personal and Corporate Income Tax Preparation, Product Costing for Manufacturers.

Eric M. Key, CPA, Account Manager and Shareholder

- B.S. in Business Administration and Accounting degree from Taylor University, Upland, Indiana.
- Joined Whitcomb & Hess in 1987.
- Areas of expertise include Corporate and Individual Tax Planning, Reviewing Tax Returns, Training Accounting and Tax Personnel, Multi-state Operations and Multi-state Tax Issues.

Roger J. Kramer, CPA and Shareholder

- B.S. and M.S. degrees in Accounting, Kent State University, Kent, Ohio.
- Joined Whitcomb & Hess in 1985.
- Serves as the firm's Tax Principal.
- Areas of expertise include Corporate Tax Planning and Preparation, Technology Consulting, Business Valuations, Individual Tax Planning and Preparation, and Estate Planning.

Tami L. Reynolds, CPA, Account Manager and Shareholder

- B.A. in Business Administration degree from Capital University, Columbus, Ohio.
- B.A. in Accounting degree from Marietta College, Marietta, Ohio.
- Joined Whitcomb & Hess in 1986.
- Areas of expertise include Corporate Tax Planning and Preparation, Business Consulting, Individual Tax Planning and Preparation, Partnership and LLC Tax Planning and Preparation.

Kim E. Tanner, Firm Administrator and Shareholder

- B.S. in Business Administration degree from Mt. Vernon Nazarene University, Mt. Vernon, Ohio.
- Joined Whitcomb & Hess in 1986.
- Areas of expertise include being a Senior Professional in Human Resources (SPHR) and past president of Association of Accounting Administrators, Ohio Chapter.



Part 2B of Form ADV: Brochure Supplement for

**Aaron Lee Bates, CFP<sup>®</sup>**

Investment Advisor Representative

Employed by:

**Whitcomb & Hess, Inc.**

1020 Cleveland Ave.

Ashland, Ohio 44805

Dated February 24, 2012

This brochure supplement provides information about Aaron Lee Bates that supplements the Whitcomb & Hess Firm Brochure. You should have received a copy of that brochure. Please contact Rose Anne Kline at [rkline@whitcomb.com](mailto:rkline@whitcomb.com) or 419-289-7007 if you did not receive the Whitcomb & Hess Firm Brochure or if you have any questions about the contents of this supplement.

Additional information about Aaron Lee Bates is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational Background and Business Experience**

**Full Legal Name:** Aaron Lee Bates

**Born:** 1977 in Trumbull County, Ohio USA

### **Education**

Aaron is a 1999 Graduate of Ohio State University, Columbus, Ohio USA where he received a Bachelor of Science Degree in Agriculture.

### **Business Experience**

03/2004 – Present	Whitcomb & Hess, Inc.	Ashland, Ohio USA
Investment Advisor Representative		
04/2003 – 02/2004	State Farm VP Management Corp.	Mansfield, Ohio USA
Registered Representative		
03/2003 – 02/2004	State Farm Insurance	Mansfield, Ohio USA
Agency Intern		
06/1999 – 03/2003	Agrelant Genetics LLC	Westfield, IN USA
Sales Manager		

### **Designations**

Certified Financial Planner® (CFP®) - Aaron passed the CFP® exam in November of 2008. The program is administered by the Certified Financial Planner Board of Standards Inc. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP certification exam, candidates must also complete qualifying work experience and agree to adhere to the code of ethics of the CFP Board and professional responsibility and financial planning standards. [www.cfp.net](http://www.cfp.net)

Series 6 - Aaron also passed the Investment Company/Variable Contracts Products Limited Representative (Series 6) exam in 2003. The Series 6 exam is administered by the Financial Industry Regulatory Authority (FINRA) (formerly the National Association of Securities Dealers (NASD)), and covers topics on mutual funds, variable annuities, securities and tax regulations, retirement plans, and insurance products.

Aaron also holds a State of Ohio Life, Health, and Property and Casualty Insurance License. He is licensed to sell insurance in the state of Ohio.

## **Item 3 Disciplinary Information**

Aaron Lee Bates has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

- Aaron has not engaged in any other investment-related activities.
- Aaron does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

- Aaron has not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

**Item 5 Additional Compensation**

Aaron does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Item 6 Supervision**

Supervisor: Aaron Bates, CFP®, CCO

Phone Number: 419-496-2226

Our supervisory oversight practices:

The Chief Compliance Officer reviews all client trades. Each quarter a suitability review is done on random clients to make sure that the client's allocation is consistent with their risk tolerance objectives. At the end of each quarter the CCO also reviews performance of all client accounts to see if they are within an appropriate range.

**Item 7 Requirements for State-Registered Advisors**

Advisors registered with one or more state security authorities must also disclose the following:

Aaron Lee Bates has not been involved in any arbitration claims, civil proceedings, or bankruptcy petitions.

Part 2B of Form ADV: Brochure Supplement for

# Ryan Timothy Gilmer

Investment Advisor Representative

Employed by:

## Whitcomb & Hess, Inc.

1020 Cleveland Ave.  
Ashland, Ohio 44805

Dated February 24, 2012

This brochure supplement provides information about Ryan Timothy Gilmer that supplements the Whitcomb & Hess Firm Brochure. You should have received a copy of that brochure. Please contact Rose Anne Kline at [rkline@whitcomb.com](mailto:rkline@whitcomb.com) or 419-289-7007 if you did not receive the Whitcomb & Hess Firm Brochure or if you have any questions about the contents of this supplement.

Additional information about Ryan Timothy Gilmer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational Background and Business Experience**

**Full Legal Name:** Ryan Timothy Gilmer

**Born:** 1984 in Ashland, Ohio USA

### **Education**

Ryan is a 2006 Graduate of Ashland University, Ashland, Ohio USA where he received a Bachelor of Science Degree in Business Administration with a major in Finance and a minor in Philosophy.

### **Business Experience**

07/2006 – Present      Whitcomb & Hess, Inc.

Ashland, Ohio USA

Investment Advisor Representative

### **Designations**

Ryan passed the National Association of Securities Dealers (NASD) Series 65 Uniform Investment Adviser Law Examination in September 2006. The Series 65 exam covers laws, regulations, ethics, and knowledge on specific investment products.

Ryan also passed level one of the Chartered Financial Analyst (CFA<sup>®</sup>) exam in December of 2009 and level two in June 2011. The Chartered Financial Analyst designation is offered by the CFA institute (formerly the Association for Investment Management Research [AIMR]). Among other requirements, to obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management, and security analysis.

## **Item 3 Disciplinary Information**

Ryan Timothy Gilmer has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

- Ryan has not engaged in any other investment-related activities.
- Ryan does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

- Ryan has not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5 Additional Compensation**

Ryan does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

Supervisor: Aaron Bates, CFP<sup>®</sup>, CCO

Phone Number: 419-496-2226

Our supervisory oversight practices:

The Chief Compliance Officer reviews all client trades. Each quarter a suitability review is done on random clients to make sure that the client's allocation is consistent with their risk tolerance objectives. At the end of each quarter the CCO also reviews performance of all client accounts to see if they are within an appropriate range.

**Item 7 Requirements for State-Registered Advisors**

Advisors registered with one or more state security authorities must also disclose the following:

Ryan Timothy Gilmer has not been involved in any arbitration claims, civil proceedings, or bankruptcy petitions.

# Tracy Lynn Eichelberger

Investment Advisor Representative

Employed by:

**Whitcomb & Hess, Inc.**

1020 Cleveland Ave.  
Ashland, Ohio 44805

Dated February 24, 2012

This brochure supplement provides information about Tracy Lynn Eichelberger that supplements the Whitcomb & Hess Firm Brochure. You should have received a copy of that brochure. Please contact Rose Anne Kline at [rkline@whitcomb.com](mailto:rkline@whitcomb.com) or 419-289-7007 if you did not receive the Whitcomb & Hess Firm Brochure or if you have any questions about the contents of this supplement.

Additional information about Tracy Lynn Eichelberger is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational Background and Business Experience**

**Full Legal Name:** Tracy Lynn Eichelberger

**Born:** 1974 in Ashland, Ohio USA

### **Education**

Tracy is a 1997 Graduate of Lincoln Christian University, Lincoln, Illinois USA where she received a Bachelor of Arts Degree in Business Administration and a Bachelor of Arts Degree in Christian Education.

### **Business Experience**

08/2011 – Present      Whitcomb & Hess, Inc.  
Investment Advisor Representative

Ashland, Ohio USA

03/2008 – 08/2011      Millennial Group, Inc.  
Client Service Specialist

Akron, Ohio USA

03/2007 – 12/2010      Curves  
Circuit Coach

Seville, Ohio USA

08/2005 – 09/2007      State Farm, Jeff Shamp's Office  
Life and Health Insurance Specialist

Wooster, Ohio USA

09/2004 – 10/2005      Medina Family Chiropractic  
Receptionist/X-ray Technician

Medina, Ohio USA

02/2004 – 05/2004      Structure Personnel  
Receptionist

Wadsworth, Ohio USA

08/2000 – 03/2004      Northside Christian Church  
Director of Children's Ministries

Wadsworth, Ohio USA

01/1997 – 07/2000      Londonderry Christian Church  
Office Administrator

Londonderry, New Hampshire USA

### **Designations**

Tracy passed the National Association of Securities Dealers (NASD) Series 65 Uniform Investment Adviser Law Examination in January 2012. The Series 65 exam covers laws, regulations, ethics, and knowledge on specific investment products.

Tracy also holds a State of Ohio Life, Health, and Property and Casualty Insurance License. She is licensed to sell insurance in the state of Ohio.

## **Item 3 Disciplinary Information**

Tracy Lynn Eichelberger has no reportable disciplinary history.



#### **Item 4 Other Business Activities**

##### **A. Investment-Related Activities**

- Tracy has not engaged in any other investment-related activities.
- Tracy does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

##### **B. Non Investment-Related Activities**

- Tracy is an Independent Beauty Consultant. She started her home-business in December 1999. Her primary responsibilities are Customer Service, teaching skin care and training team members.

#### **Item 5 Additional Compensation**

Tracy does not receive any economic benefit from a non-advisory client for the provision of advisory services.

#### **Item 6 Supervision**

Supervisor: Aaron Bates, CFP<sup>®</sup>, CCO

Phone Number: 419-496-2226

##### **Our supervisory oversight practices:**

The Chief Compliance Officer reviews all client trades. Each quarter a suitability review is done on random clients to make sure that the client's allocation is consistent with their risk tolerance objectives. At the end of each quarter the CCO also reviews performance of all client accounts to see if they are within an appropriate range.

#### **Item 7 Requirements for State-Registered Advisors**

Advisors registered with one or more state security authorities must also disclose the following:

Tracy Lynn Eichelberger has not been involved in any arbitration claims, civil proceedings, or bankruptcy petitions.