

# Form ADV Part II Disclosure Brochure

August 25, 2008

## **MCSHERRY ANDERSON, LLC INFORMATION ABOUT SERVICES AND FEES**

McSherry Anderson, LLC (the "Firm") is an investment advisory firm located at 875 Townline Road, Suite 100, Lake Geneva, Wisconsin 53147. Its phone number is (262) 348-9981. It specializes in providing investment management, financial planning and consulting services to clients. It also provides, on occasion, advice about insurance and on other matters not involving securities.

The Firm provides its services to a wide variety of clients, including individuals, pension and profit sharing plans, trusts, estates and business entities. The Firm can give advice on most securities, including stocks, bonds, warrants, commercial paper, certificates of deposit, municipal securities, mutual funds, exchange-traded funds, U.S. government securities, and real estate investment partnership interests.

A description of the Firm's advisory services and fees follows.

### **Investment Management Services**

The investment management services provided by the Firm begin with a review and analysis of all relevant information to enable the Firm to prepare a determination of the client's investment objectives and, as explained below, other aspects of the clients' financial circumstances. The Firm seeks to minimize investment risk through asset class diversification and selection of the appropriate investment vehicles within each asset class. The Firm will normally utilize long-term investments within each asset class. Short-term investments may also be utilized. The Firm provides services using the following process:

**Stage One. Gathering data and determining goals and objectives.** The Firm collects quantitative and qualitative information from each new client; determines client's personal and financial goals, needs and priorities; assesses client's values, attitudes, expectations and risk tolerance level; determines client's time horizons; and obtains appropriate client records and documents. The Firm normally utilizes interview(s) and/or client questionnaire(s) to gather the initial background information to determine the client's financial status.

**Stage Two. Determining the client's financial status by analyzing and evaluating.** This step includes evaluating the client's financial status, special needs (e.g., divorce/remarriage, charitable planning, education), risk management (e.g., life insurance), investments (current investments, strategies and policies), taxation (current returns, strategies, compliance), retirement (current plan, tax exposure, social security), employee benefits, estate planning (documents, strategies, tax exposures).

**Stage Three. Developing and presenting the investment plan.** The plan addresses financial position (current and projected), projections and recommendations for all of the following: cash flow, estate tax, capital needs at retirement, capital needs projection at death, capital needs-

disability, capital needs for special needs, income tax, and employee benefits, asset allocation, investments, risk, priority list.

The Firm will assist the client to determine his or her investment objectives based on the information collected in stage one. These objectives are documented using Data Gathering, Investment Questionnaire and an Asset Allocation Summary. These documents describe the client's risk tolerance, long-term rate of return objective, investment time horizons, income and liquidity needs, tax considerations and recommended asset allocation/asset class guidelines.

**Stage Four. Implementing the plan.** At this stage, the Firm assists the client with the implementation of the plan by coordinating the necessary custodial and/or brokerage relationships. For custodial services, the Firm typically recommends TD Ameritrade Institutional, a division of TD Ameritrade, Inc., Member FINRA/SIPC ("TD Ameritrade") or Charles Schwab & Co., Inc., also a Member FINRA/SIPC ("Schwab"). The Firm does not maintain custody of client funds or securities. Currently, the Firm does not provide health insurance products. If a health insurance need is recognized the Firm will recommend a health insurance agent. This arrangement will not provide this Firm with commissions or finder fees.

**Stage Five. Monitoring the financial plan and investments.** At this stage, the Firm monitors each client's financial plan by reviewing the progress of the plan with client, discussing and evaluating changes in client's circumstances, reviewing and discussing any tax law changes, and making required recommendations.

The client's portfolios are reviewed at frequencies deemed appropriate by the Firm to determine if risk and return objectives need revision. During the monitoring process, the Firm will, while supervising the account, exercise discretion and re-balance the client's investment portfolio to conform to the asset allocation/asset class guidelines and exercise discretion to add or delete securities from the portfolio as it deems necessary.

### **Fee Schedule for Management Services**

Fees for management services are negotiable and after being calculated, are due after services are provided. They are based on a percentage of the amount of assets under management with the custodian. This fee is calculated and payable at the end of each calendar quarter and varies from a minimum of 0.50% to a maximum of 1.25% annually. However, fees are generally lower for accounts of substantial size and for accounts containing a significant amount of fixed income assets. In addition, the firm manages assets for the clients of independent representatives of broker/dealers. Those fees are established by the broker/dealer and may differ from the fees indicated above.

Fees are calculated on the basis of the market value of the assets in the account, including any cash balances held in a money market fund. The initial fee commences with the signing of the Firm's Discretionary Investment Management Services Agreement through the end of the first calendar quarter. Thereafter, fees are payable quarterly based upon the market value of assets as of the end of the immediately preceding calendar quarter. The Firm may, in its discretion, aggregate accounts related to the account for fee calculation purposes. No adjustment will be made to the quarterly fees for changes in the market value of securities held in the account

during such calendar quarter. No refund of fees paid or due for a particular calendar quarter will be made if assets are withdrawn.

Upon contract termination, which can occur upon 10 days written notice, the client is obligated to pay an asset-based fee calculated on the account's value on the date of termination, prorated to the date of termination. If the client chose to terminate their relationship with the Firm, it is important that the client provides written notice of contract termination to the Firm rather than cancelling the Limited Power of Attorney (LPOA) with the Custodian. Terminating the LPOA directly with the Custodian may result in the Firm's:

- Inability to provide an orderly transition to another advisor/custodian
- Inability to review and monitor trades in progress
- Inability to provide final account statements
- Inability to provide tax data such as capital gain and loss information
- Inability to provide a summary of management fees for tax deduction purposes
- Inability to assist client with Designated Funds as described in the Discretion section of this Form ADV

If the client decides to terminate the Discretionary Investment Management Services Agreement by cancelling the Limited Power of Attorney, an additional fee representing a one-month billing period will be billed for providing the services to terminate the account. This amount is in addition to the fees owed to the Firm from the beginning of the last calendar quarter.

The Firm typically utilizes registered open-end mutual funds and exchange traded funds for most client investment portfolios. These registered investment companies have internal operating and management expenses that are detailed in each of their respective prospectus, however, these expenses are generally less than 0.5% annually. Thus, in addition to the Firm's advisory fees, clients will also have the fund expenses deducted from each mutual fund's reported performance.

A client may incur a delay of up to seven (7) days from the time a cash deposit is made to the custodian to the date funds are actually invested. The Firm requests ten (10) business days to process a client withdrawal or liquidation. The Firm retains the right to charge a client account for time spent processing trades that do not provide ten (10) business days notice of a withdrawal.

The Firm does not custody assets. Therefore, fees that may be charged by the custodian including transaction fees, wire fees, overnight mailing fees are charged directly to the client account from the custodian.

### **Financial Planning Services**

The Firm also provides financial planning services. Financial planning services follow the same financial planning process as the Investment Management Service except that no portfolio management services are provided. Financial planning clients may receive a written financial plan in the scope determined in advance by the Firm and client.

## **Project Consulting Services**

The Firm provides Consulting Services to clients on the following types of projects:

- Analysis and evaluation of current Plan's investment alternatives.
- Review of performance of the investments in current plan.
- Design and investment recommendations for Plan.
- Communication, education and enrollment of Plan.
- Monitor the performance of the Plan's investment alternatives, provide quarterly reports to the Client or the Plan's trustees or named fiduciaries, as requested.
- Individual Retirement Analysis.

### **Fee for Financial Planning and Consulting Services**

Financial planning services are provided without cost to the Client when the assets under management with the Firm exceed \$1,000,000. In these circumstances there is no planning contract. Otherwise, financial planning services are billed at a negotiated rate of between \$100 and \$200 per hour. An estimate of the total cost of the project will be provided in advance and the client is expected to pay 50% of the fees in advance. At project completion the client will pay the actual cost for the services performed. In the event of termination, the Firm retains fees for actual services performed. Typical fees range from \$500 - \$15,000 but there is no minimum fee.

Consulting services fees are determined based on each individual project and all fees are negotiated prior to beginning the project. The Firm retains the right modify the basic fee schedule. Fees depend on special circumstances of the client and the size and scope of the financial plan. Clients may terminate a consulting services agreement at any time in writing and fees are then prorated at an hourly rate of \$200.

Other expenses incurred by the Firm while providing financial planning and consulting services are the responsibility of the client. These expenses may include, but are not limited to sponsor management fees, trustee fees, pension administration expenses, wire fees, and express mailing fees.

### **Advisory Program Support Services**

The Firm also offers advisory program support services to investment advisors, broker-dealers and other financial institutions that wish to receive such services in connection with the investment management services they provide to their clients. The Firm's support services include consulting with the institution to assist it in structuring various mutual fund investment models with each model varying in market risk.

The Firm then provides various "back office" services for the institution, including coordinating the opening of new accounts, initially allocating account investments, rebalancing account investments, altering investment models to conform with client requests, account reporting and billing. While providing these services, the Firm has no contractual or other responsibility to make or supervise any investment for clients of the institution. That responsibility is left solely to the entity servicing the client's account.

The fees for such services are negotiable and are typically calculated as a percentage of the assets placed under management by the institution's clients. The fee ranges from 20% to 40% of the gross annual fee percentage charged by the entity to its clients. Fees will vary based upon the type of client account and specific level of services requested by the institution. Consistent with the institution's contract with its clients, fees to the Firm are only payable after the institution receives its fees from its clients. In the event that the program support services agreement with the Firm is terminated, which can occur upon 30 days prior written notice by one party to the other, the fees due the Firm are pro-rated to the date of termination.

Prospective institutional clients should be aware that when providing this service, the Firm will usually recommend TD Ameritrade or Schwab as custodian for an institution's client assets. TD Ameritrade or Schwab, as broker of record, will carry client accounts on their records, process transactions ordered by the Firm or the institution, and provide computer access for review of customer positions. In addition, TD Ameritrade and Schwab provide quotes and data needed for client reports. These services are provided to the institution at no or minimal cost.

Although an institutional client of the Firm is not obligated to utilize the services of these entities, the Firm believes that use of either of them is a convenient means of obtaining efficient custodial and other services. However, receipt of such services by the institution creates a conflict of interest for the institution since using any other brokerage Firm may result in higher reporting and overhead costs to it.

## **Strategies and Sources of Information**

The Firm will utilize a computer-based class analysis to produce strategic forecasts of selected asset classes for use in the Modern Portfolio Theory (MPT) models. The goal of the models is to help an individual investor attempt to build an investment portfolio that provides the investor with a range of protection and opportunity. To determine the composition of a portfolio, historical returns of each asset class, along with the relationship between the difference asset's returns are computed in the computer model. Long and short-term purchases are made as required by the objectives of the portfolio.

The Firm will utilize these models to provide individual advice and manage each client's account based on the client's financial situation and investment objectives.

The underlying concepts of MPT include:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by potential return.
- Markets are efficient. It is virtually impossible to know ahead of time the next direction of the market as a whole or of any individual security. It is, therefore, unlikely that any portfolio will succeed in consistently "beating the market."
- The portfolio as a whole is more important than an individual security. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (preferable longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.

- For every risk level, there exists an optional combination of asset classes that will maximize returns. A diverse set of asset classes will be selected to help minimize risk. The proportionality of the mix of asset classes will determine the long-term risk and return characteristics of the portfolio as a whole.
- Portfolio risk can be decreased by increasing diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or in opposition to one another.)

As sources of information, the Firm uses, among other resources, financial newspapers and magazines, research prepared by others, and annual reports, prospectuses and other filings made with the SEC.

**The use of MPT does not guarantee results and losses can occur.**

### **Professional Staff Qualifications**

The Firm's advisory representatives must have at least the following level of academic accomplishment:

Bachelor's degree; or

Actively seeking and/or successful completion of financial industry-related professional designation, including but not limited to:

- Chartered Financial Analyst (CFA)
- Chartered Financial Consultant (ChFC)
- Certified Financial Planner (CFP)
- Certified Investment Management Analyst (CIMA)
- Certified Public Account (CPA)
- Chartered Life Underwriter (CLU)
- Associated CFP (ACFP)
- Registered Paraplanner (RP); or

At least three years experience in the financial services industry.

## **Education and Business Background of Advisory Principals, Representatives & Staff**

### **Derek McSherry, CFP**

Derek McSherry, born July 27, 1947 in Glasgow, Scotland, attended the University of Strathclyde School of Navigation in Glasgow from 1965 to 1980 (including required training at sea). Mr. McSherry immigrated to the United States in 1980 and became a citizen in 1985.

Mr. McSherry has passed a variety of professional course work leading to certifications within the financial services industry. Specifically, he was awarded the Certified Fund Specialist (CFS) in March 1991; awarded the Certified Practitioner of Taxation (CPTx) awarded in January 1992; awarded the Certified Financial Planner (CFP) awarded in August 1992; awarded the Certified Specialist in Planned Giving (CSPG) in November 1998; and awarded the Chartered Financial Consultant (ChFC) in February 2003.

Mr. McSherry has also passed a number of securities law examinations, including the Series 24, General Securities Principal Examination; Series 7, General Securities Representative Examination; Series 63, Securities Agent State Law Examination, and the Series 65, Investment Adviser State Law Examination.

Mr. McSherry has been practicing financial planning since April 1986. His initial financial planning training was provided while associated with American Express Financial Advisors. After eight years with American Express, he left and joined Mutual of America, a not for profit insurance company, to provide advance financial planning to executives of not for profit organizations. Mr. McSherry formed the financial planning practice of McSherry & Associates, Inc., in 1995, which became McSherryAssociates, LLC in March 2005 and then McSherry Anderson, LLC in February 2007.

Mr. McSherry also serves as an Industry Arbitrator when elected to arbitration panels established by the rules of the NASD Regulation, Inc. Within the McSherry Anderson organization, Mr. McSherry is a Principal of the firm and Financial Planning Manager.

### **Robert Jay Anderson, CFP**

Robert Anderson, born on September 23, 1964, graduated from Northern Illinois University, DeKalb, Illinois in 1987, with a Bachelor of Science Degree in Economics and also graduated in 1984 with an Associates Degree in Business from Rock Valley College in Rockford, Illinois. He was awarded the Certified Financial Planner (CFP) designation in September 1999.

Mr. Anderson has also passed a number of securities law examinations, including the Series 7, General Securities Examination; Series 63, Securities Agent State Law Examination; Series 6, Investment Company Products/Variable Contracts and the Series 65, Investment Adviser State Law Examination. He has been practicing investment management since 1988. His initial training was provided by AG Edwards & Sons in 1988 and soon left to join Amcore Trust as a Securities Coordinator in 1991. In 1992 he joined Savant Capital Management to advance his career as an investment advisor and to manage the back office operations of that firm.

After approximately seven years with Savant, Mr. Anderson formed The Index Advantage, Inc. in 1999, an investment advisory firm in Rockford, Illinois. In addition, Mr. Anderson held employment positions as a Trust and Investment Officer with Belvidere National Bank, 2001-2002 and Trust Officer with IFS Bank, 2002, before joining McSherryAssociates in 2003 which became McSherry Anderson, LLC in February 2007.

Within the McSherry Anderson organization, Mr. Anderson is a Principal, the Senior Portfolio Manager and Chief Compliance Officer.

### **Interest in Transactions**

The Firm's representatives providing advisory services to clients may be licensed as insurance agents. When the representative recommends an insurance product that will result in a commission being paid, a conflict of interest exists.

The Firm's related persons, (officers, representatives and employees) may purchase the same securities recommended to clients. Where transactions similar to those recommended to clients will occur in either the firm's or a related person's account, client transactions are given priority. The Firm has adopted an Insider Trading Policy which restricts trading in those securities of issuers of which the Firm employees may have non-public information. The Policy requires all of the Firm's employees to report all personal transactions promptly to the Firm.

The Firm has established a Code of Ethics applicable to all persons at the Firm who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the Firm's staff, the Code requires such "access persons" to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually.

These reporting requirements allow supervisors at the Firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for client accounts. The Code also establishes certain bookkeeping requirements relating to the new federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the Firm's Code is available upon request.

### **Review and Reports**

Each calendar quarter, and often bi-monthly, reviews are completed for each client account unless specified otherwise. A review consists of an analysis of portfolio holdings, account values, asset allocation, and performance compared to relative benchmark indices. Reviews may also be held at a client's request.

The Firm has an Investment Committee that reviews each account. The Investment Committee is made up of Robert Anderson, Senior Portfolio Manager & Chief Compliance Officer, Derek, McSherry, Financial Planning Manager and Adam Drake, Portfolio Manager. The Client's signed Asset Allocation Summary specifies the client's target asset allocation and special circumstances related to the account. As of June 30, 2008, six hundred and eighty seven (687) accounts were subject to review by the Investment Committee.



The Firm provides written reports to clients receiving management services on a quarterly basis. Each client report includes a current position of assets, performance returns based on performance statistics calculated according to the method established by the CFA Institutes' Global Investment Performance Standards (GIPS). In addition, the report provides performance of benchmark indices, changes in the market values, deposits, withdrawals, asset allocation, and a disclosure of all management fees billed to the client's account.

The Firm does not custody assets for its clients. Each client receives a monthly or quarterly statement from their respective custodian showing account investment positions. This statement shows a position of assets, transfers, deposits, withdrawals and the fees charged by the custodian and fees charged by the Firm.

### **Discretion**

The Firm exercises discretion in the selection and amount of securities to buy and sell and when to buy and sell them. The actual securities bought or sold for a client is dependant on the client's portfolio objective as outlined in the Asset Allocation Summary. The Firm does not exercise discretion to select brokerage firms or the amount of commission paid.

The Firm will usually not consider execution capability, market making ability, and fee schedule when selecting or suggesting the use of particular brokers for client accounts. The Firm will usually recommend use of place no load mutual funds and other securities orders with TD Ameritrade or Schwab. TD Ameritrade or Schwab, as broker of record, carry client accounts on their records and process transactions ordered by the Firm. As disclosed below, the Firm receives business support benefits from both firms.

Clients should be aware that using one broker-dealer for execution of transactions may result in the Firm not being able to obtain best price or execution of securities transactions and in commissions that are higher than those obtainable from other brokers. The Firm may also not be able to obtain research and other services from those other brokers which could benefit the client. Selecting one broker-dealer may also not allow the Firm to obtain the benefits resulting from aggregating a client's order with those of other clients to obtain a better price for the aggregated order by placing it with a different broker-dealer.

The Firm is qualified to purchase and sell, on behalf of clients, certain families of mutual funds which may not be available through other advisers ("Designated Funds"). The distributors of Designated Funds allow such Funds to be held in accounts serviced only by an adviser meeting their established standards. As a result, should the Agreement with the Firm terminate, clients are required by the terms of the Agreement to transfer all securities positions, including Designated Funds, to another qualified adviser and custodian within 30 days of the termination date. If a client does not locate another qualified adviser and complete all transfers within 30 days, the Firm has discretion to sell the securities, including the Designated Funds, and send the proceeds to the client. Clients should be aware that such sales by the Firm may have adverse tax consequences.

## **Custodial Business Services**

### From TD Ameritrade and Schwab

The Firm may require that clients establish brokerage accounts with TD Ameritrade or Schwab to maintain custody of clients' assets and to effect trades for their accounts. Although the Firm may recommend/require that Clients establish accounts at these firms, it is the client's final decision to custody assets with TD Ameritrade or Schwab. These firms are independently owned and operated and not affiliated with the Firm.

TD Ameritrade and Schwab provide the Firm with access to their institutional trading and custody services, which are typically not available to TD Ameritrade or Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as client assets are maintained in accounts at TD Ameritrade or Schwab. These services may be contingent upon the Firm committing to TD Ameritrade or Schwab a specific amount of business (assets in custody or trading commissions). TD Ameritrade and 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 Firm client accounts maintained in their custody, TD Ameritrade and Schwab generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into their accounts.

TD Ameritrade and Schwab also make available to the Firm other products and services that benefit Firm but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Firm's accounts, including accounts not maintained at TD Ameritrade or Schwab. TD Ameritrade and Schwab's products and services that assist the Firm in managing and administering clients' accounts include, but are not limited to, software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Firm's fees from its clients' accounts; (v) assist with back-office functions, recordkeeping and client reporting; (vi) provide access to third party money managers; and (vii) provide business training to the Firm's personnel.

TD Ameritrade and Schwab also offer other services intended to help the Firm manage and further develop its 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. TD Ameritrade and Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Firm and may discount or waive fees they 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 the Firm. TD Ameritrade and Schwab may also provide other benefits such as educational events or occasional business entertainment of Firm personnel.

In evaluating whether to recommend or require that clients custody their assets at TD Ameritrade or Schwab, the Firm 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 it considers and not solely the nature, cost or quality of custody and brokerage services provided by TD Ameritrade or Schwab, which may create a potential conflict of interest.

## **Payments to Others**

The Firm receives client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect (the "referral program"). The referral program is designed to help investors find an investment management firm. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, the Firm may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade.

TD Ameritrade is a discount broker-dealer independent of and unaffiliated with McSherry Anderson and there is no employee or agency relationship between them.

TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors.

TD Ameritrade does not supervise the Firm and has no responsibility for the Firm's management of client portfolios or the Firm's other advice or services. The Firm pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 15%) of the advisory fee that the client pays to the Firm ("Solicitation Fee").

The Firm will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by McSherry Anderson from any of a referred client's family members, including spouse, child or any other family member who resides with referred client and engages the Firm on the recommendation of such referred client. The Firm must pay TD Ameritrade a minimum of \$10,000 per year to remain in the program.

The Firm will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding the Solicitation Fee or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

The Firm's participation in AdvisorDirect raises conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, the Firm may have an incentive to recommend to clients that the assets under management by the Firm be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade.

In addition, the Firm has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at

other custodians, except when its fiduciary duties require doing so. The Firm's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Clients should carefully consider the information provided in the AdvisorDirect Disclosure and in this Form ADV. The brokerage and advisors services offered by TD Ameritrade and the Firm may be available elsewhere at lower or higher costs.

On occasion, CPA firms may refer potential advisory clients to the Firm and the Firm may refer potential accounting clients to the CPA firms and occasionally, the Firm may pay representatives of the CPA firms a fee for making advisory client referrals to it. The Firm will not accept a fee from the CPA firm; however, these professional service client cross-referral arrangements create conflicts of interest. The Firm may at times also compensate other outside solicitors and/or associated persons. Client's retained through solicitors or associated persons will receive a written solicitor's disclosure statement that details the terms of the arrangement.

### **Proxy Voting**

The firm does not vote proxies for clients.

## **NOTICE REGARDING TREATMENT OF CONFIDENTIAL INFORMATION**

### **Privacy Notice to Our Clients.**

The Firm strongly believes in protecting the confidentiality and security of information we collect about you. This notice describes our privacy policy and describes how we treat the information we receive about you.

### **Why We Collect And How We Use Information.**

When we evaluate your request for our services, provide investment advice to you and process transactions for your account, you typically provide us with certain personal information necessary for these transactions. We may also use that information to offer you other services we provide which may meet your investment needs.

### **What Information We Collect.**

The personal information we collect may include:

- Name and address
- Social Security or taxpayer identification number
- Driver's license
- Assets
- Liabilities
- Age
- Occupation
- Income
- Account balance
- Investment objectives and risk tolerance
- Investment activity
- Accounts at other institutions, and
- Other financial and personal information

### **How We Protect Information.**

We do not sell your personal information to anyone.

We treat information about current and former clients and their accounts in a confidential manner. Our employees may access information and provide it to third parties only when completing a transaction at your request or providing our other services to you.

At your request, we may disclose information to attorneys, accountants, lawyers, securities professionals and others to assist us, or them, in providing services to you. We may also share information with companies that perform services on our behalf, such as the companies that we hire to perform marketing or administrative services. Companies we may hire to provide support services are not allowed to use your personal information for their own purposes. We may make additional disclosures as permitted by law.

We also maintain physical, electronic, and procedural safeguards to protect information. Employees and our managers and counselors are required to comply with our established information confidentiality provisions.

**Access to and Correction of Information.**

Generally, upon your written request, we will make this available information for your review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available.

If your personal information with us becomes inaccurate, or if you need to make a change to that information, please contact us at the number shown below so we can update our records.

**Further Information.**

For additional information regarding our privacy policy, please contact us at 875 Townline Road, Suite 100, Lake Geneva, Wisconsin 53147, or calling (262) 348-9981.