

# TandemGrowth Financial Advisors, LLC

SEC File # 801-79425

ADV Part 2A, Firm Brochure

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Contact: Jeffrey Bernier, Chief Compliance Officer

3820 Mansell Road, Suite T30

Alpharetta, Georgia 30022

(770) 641-6360

[www.tandemgrowth.com](http://www.tandemgrowth.com)

**This Brochure provides information about the qualifications and business practices of TandemGrowth Financial Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (770) 641-6360 or [jbernier@tandemgrowth.com](mailto:jbernier@tandemgrowth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about TandemGrowth Financial Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to TandemGrowth Financial Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

Since the March 23, 2017 Annual Update filing, this ADV Part 2A, Firm Brochure has been materially amended at Items 4 and 5 to describe the “NextGen” services offered to certain clients on a limited basis, to distinguish those services from the “Wealth Management Services” that TandemGrowth Financial Advisors, LLC offers, and to incorporate a new fee schedules at Item 5.A. for such services. This Firm Brochure has also been materially amended at Items 5 and 7 to incorporate a \$500,000 minimum portfolio value that is generally required to receive Wealth Management Services.

**TandemGrowth Financial Advisors, LLC’s Chief Compliance Officer, Jeffrey Bernier remains available to address any questions that a client or prospective client may have regarding the changes set forth below and/or the previous filings.**

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#### **Item 4            Advisory Business**

- A. TandemGrowth Financial Advisors, LLC (the “Registrant”) is a limited liability company formed on November 13, 2000 in the state of Georgia. The Registrant became registered as an Investment Adviser Firm in May 2003. The Registrant is owned by Jeffrey Bernier. Mr. Bernier is the Registrant’s Managing Member and Chief Compliance Officer.
- B. As discussed below, the Registrant offers financial planning and investment advisory services to its clients (generally, individuals, high net worth individuals, trusts and estates, etc.) on a fee basis.

#### **WEALTH MANAGEMENT SERVICES**

Clients may choose to engage the Registrant to provide “Wealth Management Services,” which include initial and ongoing financial planning services in addition to discretionary or non-discretionary investment advisory services.

The financial planning aspect of the Wealth Management Services addresses investment and non-investment related matters, which generally include, but are not limited to: investment and retirement planning, education planning, legacy/estate planning, cash flow planning, income tax planning, goals-based investment planning, risk management planning, and stock option planning. The specific financial planning services generally include: ongoing review and communications regarding financial planning concepts, a discovery meeting, preparation and delivery of a “Financial Blueprint” document that confirms the client’s financial goals and includes: a balance sheet, a detailed cash flow schedule, federal/state tax estimates, an insurance summary, a needs analysis in the event of disability, an estate plan analysis, a survivor needs analysis, an education funding analysis and planning recommendations (as applicable). The financial planning services also include: an annual review, a semi-annual review, a year-end tax planning meeting with the client’s designated certified public accountant or other tax planning professional, joint meetings with the client’s other designated professionals, attendance at an annual market update luncheon, access to an online financial planning portal and access to account holdings (please see “ByAllAccounts and Wealth Access” disclosure below), receipt of a “TandemGrowth Perspectives Blog” and participation in client education workshops.

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any recommended professional, and a dispute arises, the client agrees to seek recourse exclusively from the engaged professional.

The discretionary or non-discretionary investment advisory component of the Wealth Management Services addresses ongoing management of the client’s investment assets. To commence this part of the process, an investment adviser representative will confirm each client’s investment objectives based on the Financial Blueprint, and then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The Registrant primarily allocates or recommends that a client allocate client assets among various mutual funds and exchange traded funds

(“ETFs”) and, to a much lesser extent, independent managers as described below. Once allocated, the Registrant provides ongoing monitoring and review of portfolio performance and asset allocation as compared to client investment objectives, and may periodically execute or recommend execution of transactions for the portfolio based upon such reviews.

Before engaging the Registrant to provide Wealth Management Services, the client is required to sign a Wealth Management Agreement with Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fees that are due from the client.

## **NEXTGEN SERVICES**

In limited circumstances as a courtesy to existing clients, Registrant offers its “NextGen Services” (“NextGen”) to adult children of Registrant’s existing clients. Those clients can choose to engage Registrant to provide initial and ongoing financial planning and/or investment advisory services as further described below.

### **NEXTGEN FINANCIAL PLANNING SERVICES**

Clients who qualify for the NextGen Services may choose to engage the Registrant to provide initial and ongoing financial planning services for an initial fee and a recurring monthly fee. These financial planning services address investment and non-investment related matters, which may include, but are not limited to: investment and retirement planning, education planning, legacy/estate planning, cash flow planning, goals-based investment planning, and risk management planning. The specific financial planning services include: ongoing review and communications regarding financial planning concepts, a discovery meeting, preparation and delivery of a “Financial Blueprint” document that confirms the client’s financial goals and includes: a balance sheet, a detailed cash flow schedule, an insurance summary, a needs analysis in the event of disability, an estate plan analysis, a survivor needs analysis, an education funding analysis and planning recommendations (as applicable). The NextGen ongoing financial planning services also include: an annual review, attendance at an annual market update luncheon, access to an online financial planning portal and access to portfolio holdings (please see “ByAllAccounts and Wealth Access” disclosure below), receipt of a monthly “TandemGrowth Perspectives Blog” and participation in client education workshops.

Before engaging the Registrant to provide such initial and ongoing financial planning services, clients are required to enter into a NextGen Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fees that are due from the client.

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any recommended professional, and a dispute arises, the client agrees to seek recourse exclusively from the engaged professional.

## NEXTGEN INVESTMENT ADVISORY SERVICES

Clients who qualify for NextGen Services may also choose to engage the Registrant to provide discretionary investment advisory services under the terms and conditions of a NextGen Investment Advisory Agreement.

To commence the NextGen investment advisory process, an investment adviser representative will first ascertain each client's investment objectives and then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The Registrant primarily allocates or recommends that a client allocate client assets among various mutual funds and ETFs and, to a much lesser extent, independent managers as described below. Once allocated, the Registrant provides ongoing monitoring and review of portfolio performance and asset allocation as compared to client investment objectives, and may periodically execute transactions for the portfolio based upon such reviews.

## **EDUCATIONAL SEMINARS / WORKSHOPS**

The Registrant may also offer clients the opportunity to participate in educational seminars and workshops, generally related to the financial planning concepts discussed above. If the Registrant chooses to require clients to pay a nominal fee for attending such educational seminars and workshops, the terms and conditions of the client's attendance and the related fee for attendance will be set forth in a separate Agreement between the Registrant and the client.

## **MISCELLANEOUS**

**Limitations of Non-Investment Consulting/Implementation Services.** Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant's services should be construed as legal, accounting or insurance implementation services. Therefore, the Registrant does not prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, the Registrant may recommend the services of other professionals for non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation. **Please Note:** If the client engages any recommended professional, and a dispute arises, the client agrees to seek recourse exclusively from the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of the Registrant revising its previous recommendations or services.

**Non-Discretionary Service Limitations.** Clients that determine to engage Registrant on a non-discretionary investment advisory basis **must be willing to accept** that Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Independent Managers.** Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. Registrant will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The Registrant generally considers the following factors when recommending Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee. The fee charged by the Independent Manager(s) is separate from, and in addition to, Registrant's advisory fee as set forth in Item 5, which will be disclosed to the client at the point of entering into the Independent Manager engagement, and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s).

**Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), the Registrant may maintain cash positions for defensive or liquidity purposes. Unless otherwise agreed in writing, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee.

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objectives. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).

**Trade Error Policy.** Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains which shall be credited to a local charitable organization designated by the Registrant.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely on any provided information. Each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of the Registrant revising its previous recommendations or services.

**ByAllAccounts and Wealth Access.** Registrant, in conjunction with the services provided by "ByAllAccounts" and "Wealth Access" may also provide periodic comprehensive reporting services which can incorporate all of the client's investment

assets, including those investment assets that are not part of the assets managed by Registrant (the “Excluded Assets”). **The client and/or their other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless otherwise specifically agreed to, in writing, Registrant’s service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if Registrant is specifically engaged to monitor and/or allocate the assets within the client’s 401(k) account maintained away at the custodian directed by the client’s employer. As such, except with respect to the client’s 401(k) account (if applicable), Registrant does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client’s designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If Registrant were asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that Registrant provide investment management services for the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of a separate Agreement between the Registrant and the client.

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a **conflict of interest** if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant’s Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

**Use of Mutual Funds** While the Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant’s initial and ongoing investment advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors (“DFA”), are generally only available through registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Registrant’s services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply. **Registrant’s Chief Compliance Officer, Jeffrey Bernier remains available to address any questions that a client or prospective client may have regarding the above.**

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

**Disclosure Statement.** A copy of the Registrant's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of Agreement.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. If engaged to do so, the Registrant will then allocate or recommend that the client allocate investment assets consistent with their designated investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program by providing portfolio management services.
- E. As of December 31, 2017, the Registrant had \$139,531,600 in regulatory assets under management on a discretionary basis and \$1,609,493 in regulatory assets under management on a non-discretionary basis.

## **Item 5            Fees and Compensation**

- A. Registrant's fees for its various services offerings are as generally set forth below.

### **WEALTH MANAGEMENT SERVICES**

Clients can choose to engage the Registrant to provide discretionary and/or non-discretionary Wealth Management Services as described above. The fee for this service includes an initial and one-time fee generally ranging between \$1,500 and \$5,000 for preparation of the Financial Blueprint. Half of this fee is payable upon either the execution of the Wealth Management Agreement or at the discovery meeting (whichever is later), and the other half of is payable upon delivery of the Financial Blueprint.

The remaining fees for Registrant's Wealth Management Services are based on a percentage of the market value of investment assets placed under the Registrant's management (i.e. assets for which Registrant maintains trading authority) and supervision (i.e. investment assets that Registrant monitors and for which Registrant provides investment advice, but does not maintain trading authority, such as assets held in a client-directed 401(k) account).



This fee is prorated and billed quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter, generally based on the following fee schedule:

<u>Market Value of Portfolio</u>	<u>Annual Fee</u>
Assets up to \$1,000,000	1.00%
Additional Assets between \$1,000,001 and \$2,000,000	0.75%
Additional Assets between \$2,000,001 and \$5,000,000	0.50%
Additional Assets between \$5,000,001 and \$10,000,000	0.40%
Additional Assets exceeding \$10,000,001	0.30%

Financial Planning and Investment Advisory Services. New clients who do not qualify for NextGen Services are not able to engage the Registrant to provide investment advisory services without also engaging the Registrant for financial planning services under its Wealth Management Services offering.

Negotiable Fees. The Registrant's fee for Wealth Management Services is negotiable at the discretion of the Registrant, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with the Registrant and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

**The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions that a client or prospective client may have regarding the above fee determination.**

Legacy Clients. Certain legacy clients may have accepted different pre-existing service offerings from Registrant and may therefore receive different services under different fee schedules than as set forth above. These legacy clients have been or will be offered the ability to engage Registrant under its Wealth Management Services offering if it is more advantageous to such clients.

Reduced Fees. The Registrant may agree to reduce or waive its fees on certain assets placed under its supervision, including but not limited to, cash positions, concentrated positions or holdings, or the holding of employer stock. The decision to reduce or waive fees may be made by the Registrant, in its sole discretion.

Minimum Portfolio Value. The Registrant generally requires a \$500,000 minimum portfolio value for its Wealth Management Services, which it may reduce or waive in its sole discretion.

Independent Manager(s). The Independent Manager(s) that may be engaged typically charge a fee ranging between 0.40 % and 0.75%, of the market value of the designated assets under management which is separate from, and in addition to, Registrant's advisory fee as set forth above. The Independent Manager(s) fee does not result in any additional compensation to the Registrant. The applicable Independent Manager fee will be disclosed to the client at the point of entering into the Independent Manager

engagement, and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager.

## **NEXTGEN SERVICES**

### **NEXTGEN ONGOING FINANCIAL PLANNING SERVICES**

Clients who qualify for the NextGen Services may choose to engage the Registrant to provide initial and ongoing financial planning services, generally according to the following negotiable fee schedule: an initial fee of \$1,500 payable upon delivery of the Financial Blueprint; and a recurring monthly fee of \$125 payable in advance, starting on the first month of the next quarter in which the Financial Blueprint is delivered and monthly thereafter.

### **NEXTGEN INVESTMENT ADVISORY SERVICES**

Clients who qualify for the NextGen Services may choose to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services for a negotiable fee generally equal to 1% of the market value of assets placed under the Registrant's management (i.e. assets for which Registrant maintains trading authority) and supervision (i.e. investment assets that Registrant monitors and for which Registrant provides investment advice, but does not maintain trading authority, such as assets held in a client-directed 401(k) account). This fee is prorated and billed quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Once NextGen clients reach the \$500,000 minimum portfolio threshold to receive Wealth Management Services, they are provided the opportunity to transition to that service offering under the terms and conditions of a Wealth Management Agreement.

## **EDUCATIONAL SEMINARS / WORKSHOPS**

If the Registrant chooses to require clients to pay a nominal fee for attending such educational seminars and workshops, the terms and conditions of the client's attendance and the related fee for attendance will be set forth in a separate Agreement between the Registrant and the client. The fee will be generally tailored to the out-of-pocket expenses that Registrant incurs to produce such educational seminars and workshops.

- B. Clients may elect to have the Registrant's fees deducted from their custodial account. The Registrant's Agreements and the brokerage or clearing agreement may authorize the custodian to debit the account for the Registrant's fees and to pay the fee to the Registrant in compliance with regulatory procedures. The Client may also choose to engage a third-party payment facilitator to remit fees to the Registrant. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. Except with respect to the monthly NextGen Ongoing Planning Services, which are payable monthly in advance starting on the first month of the next quarter in which the Financial Blueprint is delivered, the Registrant shall deduct fees and/or bill clients quarterly, in advance.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Fidelity Institutional Wealth Services, an SEC-registered and FINRA member broker dealer ("Fidelity") serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers such as Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-

load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by the applicable broker-dealer/custodian, and the charges imposed at the mutual fund and exchange traded fund level, are in addition to Registrant's advisory fee referenced in Item 5 below.

- D. Registrant's investment advisory fee is prorated and paid quarterly, in advance, based upon the market value of all of the assets under the Registrant's management and/or supervision as identified in Item 5.A. on the last business day of the previous quarter. Where a client and the Registrant mutually agree, assets maintained at custodians other than Fidelity may still be subject to the investment advisory fee schedule set forth above. The Registrant, in its sole discretion, may reduce or waive its investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). As indicated above with respect to Wealth Management Services, the Registrant charges an initial and one-time fee generally ranging between \$1,500 and \$5,000 for preparation of the Financial Blueprint, half of which is payable in advance. Under the NextGen Financial Planning service offering, the Registrant also charges a \$1,500 fee for preparation of the Financial Blueprint, payable upon delivery of the Financial Blueprint.

The applicable form of Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of such Agreement. Upon termination, the Registrant shall refund the pro-rated portion of any advanced fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7            Types of Clients**

The Registrant's clients currently generally include individuals, high net worth individuals, trusts and estates. The Registrant does not impose a minimum portfolio value requirement for its NextGen Services, but generally requires a \$500,000 minimum portfolio value for its Wealth Management Services. Registrant may reduce or waive this minimum portfolio value requirement in its sole discretion based upon certain criteria (i.e. anticipated future services, related accounts, scope services to be rendered, individual(s) rendering the services, negotiations with client, etc.).

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
  - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily allocates (or recommends that a client allocate) client investment assets among various mutual funds and/or ETFs and, to a much lesser extent, Independent Manager(s), on a discretionary and non-discretionary basis, in accordance with the client's designated investment objective(s). (See Independent Managers above).

#### **Item 9           Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person. However, Registrant maintains a Business Continuity and Succession Plan to mitigate a disruption of service to clients in the event of an unforeseen loss of key personnel, due to disability or death. To that end, Registrant has entered into a Succession Agreement with Buckingham Asset Management, LLC, effective September 25, 2018. **The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions that a client or prospective client may have regarding this arrangement.**
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.  
In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.
- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons”. The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment advisory accounts be maintained at Fidelity. Prior to engaging Registrant to provide investment advisory services, the client will be required to enter into a formal Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant’s clients shall comply with the Registrant’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into

consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment advisory fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

In addition to the above, and although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from Fidelity (and can receive from another broker-dealer/custodian, vendor, unaffiliated investment manager, investment platform product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. The support services Registrant can obtain may include: consulting, business succession assistance, investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel expenses and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations. Fidelity can make available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance. Certain of the support services and/or products that Registrant can receive may assist Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Registrant to manage and further develop its business enterprise.

Except as otherwise provided, Fidelity's responsibility is limited to executing transactions pursuant to the direction of the Registrant. Fidelity has not assisted in the selection of the Registrant and the client has the sole and exclusive responsibility for the selection of the Registrant. The client agrees that the Registrant is solely responsible for the management of client's portfolio. **The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented.**

2. The Registrant does not receive referrals from broker-dealers.

3. Directed Brokerage.

The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, clients may pay higher commissions or other

transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.'
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, the Registrant receives economic benefits from Fidelity including support services or products without cost or at a discount. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by



the Registrant to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest.**

- B. The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

## **Item 15      Custody**

The Registrant shall have the ability to have its fees for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

The Registrant provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds or securities to third parties. In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## **Item 16      Investment Discretion**

The client can determine to engage the Registrant to provide investment management services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, clients are required to execute an Agreement naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

**Item 17          Voting Client Securities**

- A. The Registrant does not vote client proxies. 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.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

**Item 18          Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Jeffrey Bernier, remains available to address any questions regarding this ADV Part 2A, Firm Brochure.**