

## **BMS Financial Advisors, LLC**

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### **FORM ADV PART 2A BROCHURE**

**This brochure provides information about the qualifications and business practices of BMS Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (605) 341-1555. 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 Financial Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable advisory IARD/CRD number for BMS Financial Advisors, LLC is 134738.**

**BMS Financial Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## ***Summary of Material Changes***

Form ADV Part 2A, Item 2

This disclosure brochure is a new document prepared according to new regulatory rules and requirements. As such, this document is different in structure and requires certain new information that our previous brochure did not require.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new ADV delivery requirements, we will ensure that you receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this disclosure brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated disclosure brochure.

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## **Advisory Business**

Form ADV Part 2A, Item 4

BMS Financial Advisors, LLC (“we”, “our”, “us”) is a registered investment adviser based in Rapid City, SD. We are organized as a limited liability company under the laws of the State of South Dakota. Our firm has been providing investment advisory services since 2005. Hugh T. Boyle, CEO/Managing Member, and Mr. Douglas A. Maher, President/ Managing Member, and Chief Compliance Officer, are our principal owners. Messrs. Boyle and Maher both have been continuously employed in the financial and securities industry since 1998.

Currently, BMS Financial Advisors, LLC offers the following investment advisory services, which are personalized to each individual client:

- **Investment Management Programs**
- **Allocation Programs**
- **Financial Planning and Consulting Services**
- **Investment Recommendations and Asset Allocation Services for Retirement Accounts**
- **Pension/Qualified Plan Consulting Services**
- **Retirement Plan Education to Employees**

As used in this brochure, the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

Principals of our firm are registered representatives and financial advisers (“FAs”) of SagePoint Financial, Inc. (“SagePoint”), a SEC registered broker dealer and investment adviser. Our advisory services are offered through qualified individuals who have registered as our Investment Adviser Representatives (“Advisory Representative”).

### **Direct Asset Allocation Services through the VISION2020 Advisor Program**

SagePoint Financial, Inc. sponsors the VISION2020Advisor Program (“V2A” or “Program”) which provides our advisory representatives with advisory tools and services, which they may offer to you on a discretionary or nondiscretionary basis. The purchase and sale of securities in discretionary accounts does not require your advance approval. In a non-discretionary account, our advisory representative will only purchase or sell securities that you have approved in advance. The nature of such relationships is set forth in each client service agreement (“Agreement”).

Our advisory representatives work with you to identify your investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement your financial situation and personal circumstances. Our advisory representatives will create a portfolio, consisting of various securities that may include stocks, bonds, options, exchange-traded funds, or mutual funds. The investment strategies utilized in V2A depend upon your individual investment objectives and goals as provided to your advisory representative. Model portfolios, option trading and/or margin may be employed as a part of the chosen strategy. Portfolios are constructed along basic investment objective categories. However, you have the opportunity to place reasonable restrictions on the type of investments to be held in your portfolio. Your advisory representatives may periodically rebalance your account to maintain the initially agreed upon asset allocation. However, no changes are made to the agreed-upon asset allocation in nondiscretionary accounts without your prior review and consent.

The Program is offered alternatively as an Account with separate advisory fees and transaction charges ("Non-Wrap Fee") or as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Fee"). In both Wrap Fee and Non-Wrap Fee accounts, you will pay a quarterly Account Fee (Advisory and Administrative Fees), in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Account Fees are negotiable. In computing the market value of assets, mutual fund shares will be calculated at their respective net asset values as of the valuation date in accordance with each mutual fund prospectus. With respect to those accounts that utilize margin, the "net worth" or "net equity" value of the account, not the long or short market value, shall be used to determine your advisory fee. With respect to those accounts that purchase or sell option contracts, the positive or negative value of the option will be included in the net equity value of the account for purposes of determining your advisory fee. You should be aware that option contracts are a "wasting" asset, in that they have value only through the date on which they expire. If call option contracts are sold in conjunction with securities held in your account, (often referred to as "covered call options") the cash received on the sale of the option may have the effect of temporarily increasing the net equity value of the account, and thus increasing the amount of your advisory fee. In the event that additions to, or withdrawals from, the account are made during any given quarter, the applicable fee will be adjusted on a pro-rata basis to the account from which the charge was debited, based on the market value of the assets at such time to reflect the addition or withdrawal.

**Wrap Fee Option:** Clients who select **Wrap Fee** Option A or C will pay a single, all-inclusive Account Fee (Advisory and Administrative Fees).

**Non-Wrap Fee Option:** Clients who select the **Non-Wrap Fee** Option B will pay separate Transaction Charges in addition to the Account Fee (Advisory and Administrative Fees).

***For further V2A details, please see the V2A Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in V2A. Please read it thoroughly before investing.***

### **Genworth Investment Services Program**

We offer an asset allocation system known as Genworth Investment Services (the "Genworth Program"). The Genworth Program is designed as follows:

#### **Advisory Services**

Based on information you provide in an Investor Profile Worksheet, you will make a determination, with our assistance, to open an account. We will assist you in completing the Genworth Program application and agreement as well as any other documents provided by Genworth. As set forth in the Genworth Program application, we will assist you in investing in the Genworth Program, using model portfolios of mutual funds, exchange-traded funds ("ETFs") and variable annuity sub-accounts provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology, and investment strategists. With respect to clients investing in the Genworth Program, we will introduce you to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities.

We do not take any independent discretionary authority over client accounts. We do, however, offer clients participation in the Genworth Program, which is more fully described in the Genworth Program Schedule H disclosure document. Model Portfolios composed by a group of independent investment strategists are offered under the Genworth Program, with the different models designed to satisfy a gradient of risk/return assumptions. The independent investment strategists have no direct relationship with us or either us or you, make no analysis of your circumstances or objectives, and do not tailor the models to any of your specific needs.

We will assist you in selecting the model portfolio that best suits your objectives. You will then specifically direct the account to be invested in accordance with the chosen model portfolio. When you select the model portfolio, we will further direct that the account be automatically adjusted to reflect any allocation changes in the

model portfolio by the investment strategist. Your authorization would result in the purchase and sale of certain mutual funds or ETFs (or transfers between variable annuity sub-accounts) without your further authorization at such time as the investment strategist changes the composition of the selected model portfolio.

#### Reporting

Clients participating in the Genworth Program will receive monthly account statements (quarterly for variable annuity accounts) as well as transaction ledgers and quarterly reports showing the performance of their account.

#### Advisory Fees

The Genworth Program fees are payable quarterly in advance based on the assets under management. We will negotiate and contract with you for an overall investment advisory fee that covers your fee for participation in the Genworth Program. Below, please find the maximum annual fee schedule.

<u>Assets Under Management</u>	<u>Maximum Annualized Fee</u>
First \$100,000	2.50%
Next \$250,000	1.75%
Next \$650,000	1.25%
Over \$1,000,000	1.00%

In the event that, due to the transfer of assets from another custodian, the actual amount of assets in the account at the time of the initial investment is more or less than the amount indicated, the fee will be calculated on the actual amount of the initial investment in accordance with the formula described above. The first quarterly fee is  $\frac{1}{4}$  of the annual fee due for the account.

You may terminate the Genworth Program agreement within five days of the date of acceptance without penalty to the client. After the five-day period, either party, upon written notice to the other, may terminate the Genworth Program agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be refunded to you.

#### Managed Assets Program

The Managed Assets Program ("MAP Program") is an investment management program that provides you with access to multiple managers who provide investment advice to you on portfolios consisting of individual stocks, bonds, exchange traded and mutual funds.

You can choose a variety of investment managers across asset classes and investment styles for a complete asset allocation strategy or seek an investment manager for a single asset class. More specifically, you will generally choose from the following three options:

- The Single Asset Category Proposal allows you to select investments in a single asset class either by asset class (e.g. US Large Cap Equity) or by investment style (e.g. US Large Cap Growth Equity).
- The Asset Allocation Proposal which allows you to allocate your investments across multiple asset classes and investment styles using multiple brokerage accounts.
- The Diversified Multi-Strategy Portfolio Proposal which allows you to allocate your investments across multiple asset classes and investment styles using a single brokerage account.

In addition, you have the opportunity to place reasonable restrictions on investments held within your MAP Program account.

#### MAP Program Fees

We offer the MAP Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary MAP fees may apply. Please see the MAP Wrap Fee Program Brochure for further details. ***We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.***

Our MAP account fee schedule is as follows:

**Equity Separately Managed Accounts (not held within Diversified Multi Strategy Portfolios)**

Total Account Value	Program Fee <sup>2</sup>	Maximum Advisory Fee <sup>3</sup>	Maximum Account Fee
\$100,000 to \$500,000	1.00%	1.75%	2.75%
\$500,001 to \$1,000,000	.95%	1.75%	2.70%
\$1,000,001 to \$2,000,000	.90%	1.75%	2.65%
\$2,000,001 to \$3,000,000	.85%	1.75%	2.60%
\$3,000,001 to \$4,000,000	.80%	1.75%	2.55%
\$4,000,001 to \$5,000,000	.78%	1.75%	2.53%
Over \$5,000,000	.75%	1.75%	2.50%

**Fixed Income Separately Managed Accounts (not held within Diversified Multi Strategy Portfolios)**

Total Account Value	Program Fee	Maximum Advisory Fee	Maximum Account Fee
\$100,000 to \$500,000	.75%	1.25%	2.00%
\$500,001 to \$1,000,000	.70%	1.25%	1.95%
\$1,000,001 to \$2,000,000	.65%	1.25%	1.90%

**Selection, Recommendation, Due Diligence of Third Party Investment Advisers**

We have entered into agreements with various Third Party Investment Advisers ("Third Party Advisory Service") for the provision of certain investment advisory services.

Our advisory representatives will provide personal advisory services to you in the selection of a particular Third Party Advisory Service. Factors considered in the selection of a Third Party Advisory Service include but may not be limited to: i) each individual advisory representative's preference for a particular Third Party Advisory Service; ii) your risk tolerance, goals and objectives, as well as investment experience; and, iii) the size of your assets available for investment. In addition, our advisory representatives receive compensation from these investment managers for referring Clients--and because such compensation may differ depending on the individual agreement with each Third Party Advisory Service--advisory representatives may have an incentive to recommend a particular Third Party Advisory Service over other investment managers with which we may have less favorable compensation arrangements or, alternative investment advisory programs--including programs offered through their own separately registered investment advisory entities.

All securities transactions will be decided upon and executed by the Third Party Advisory Service.

In order to assist in the selection of a Third Party Advisory Service, the advisory representative will typically gather information from you about your financial situation, investment objectives, and reasonable restrictions you want imposed on the management of the account.



### ***Ongoing Performance Monitoring And Appraisal Of Selected Third Party Advisory Services***

Our advisory representatives will periodically review reports provided to you. An advisory representative will contact you periodically, as agreed upon with you, to review your financial situation and objectives, communicate information to the Third Party Advisory Service managing the account as warranted, and to assist you in understanding and evaluating the services provided by the Third Party Advisory Service. You will be expected to notify your advisory representative of any changes in your financial situation, investment objectives, or account restrictions. You may also directly contact the Third Party Advisory Service managing the account or sponsoring the program.

### ***ADDITIONAL INFORMATION CONCERNING THIRD PARTY ADVISORY SERVICES***

A complete description of the programs and services available through a Third Party Advisory Service will be provided to you upon receipt and review of the applicable Third Party Advisory Service's Form ADV and/or Brochure; investment advisory contracts; and account opening documents.

Part 2A of Form ADV, the program wrap brochure (if applicable) or other applicable disclosure documents of the Third Party Advisory Service and of the portfolio manager(s) will be provided to all Clients interested in these programs and in particular portfolio managers.

Please Note: When investing in mutual funds and variable annuities, you are strongly encouraged to review the applicable prospectus. Mutual funds and variable annuities may impose certain restrictions on the frequency, timing and dollar amount of transactions and may impose penalty fees based upon short-term trading patterns. Such restrictions may impact the services provided by a Third Party Advisory Service.

The list of approved unaffiliated Third Party Advisory Services is under periodic review and revision and is therefore subject to change. You should consult directly with our advisory representative to confirm the most current list. In certain circumstances, certain Third Party Advisory Services may not be available to all Clients.

### **THIRD PARTY ADVISORY SERVICE COMPENSATION**

Compensation generally, consists of four elements: i) management and advisory fees shared by the Third Party Advisory Services, us, and our advisory representatives; ii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iii) custody fees; and iv) an additional Administrative fee paid to SagePoint for its supervisory services.

Such compensation, in turn, is recaptured through one of the following pricing structures:

#### **Wrap Pricing:**

Under these programs, the inclusive "wrap" fee covers account management, brokerage, clearance, custody and administrative services. In other programs, you may be charged separately for such services. The wrap fees may be higher or lower than if such services were obtained separately. Generally, wrap programs are relatively less expensive for actively traded accounts. However, in accounts that experience little trading activity, they may result in higher overall costs to you.

#### **Unbundled Pricing:**

Other Third Party Advisory Services may be provided on an "unbundled" fee basis. In such cases, the Third Party Advisory Service's fee may be separate from the advisory fee charged by our advisory representatives and by us. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such Third Party Advisory Services. Further, compensation to our advisory representatives may be in the form of commissions earned in the underlying securities portfolios, which are managed by the Third Party Advisory Service. In addition to our share of the Third Party Advisory Fee, SagePoint may charge an additional administrative fee for its Administrative and supervisory services.

You will receive an account statement from the Third Party Advisory Service at least quarterly, which includes the amount of any fees paid directly to such Third Party Advisory Service, or any other adviser you select to manage the account. These fees are in addition to the internal advisory fees and expenses paid by the mutual funds or variable annuity companies to their separate investment advisers. In addition, variable annuity



companies generally impose mortality charges on such accounts, of approximately 1.25% annually.

SagePoint's Administrative fees will either be bundled into the wrap fee or disclosed as a separate charge in unbundled programs.

The amount of total fees, the services provided, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the Third Party Investment Advisory Service's Form ADV Part 2A; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager or managers selected; or, iv) the Third Party Advisory Service's account opening documents.

We will not be paid fees through a direct contract with you, but will receive a portion of your advisory fee as a solicitor in accordance with Rule 206(4)-3 promulgated by the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940.

With regard to both the Wrap Pricing and Unbundling Pricing features, please note that the same or similar services may be available elsewhere at a lower cost to you.

#### ENGAGING A THIRD PARTY INVESTMENT ADVISER:

You will sign an advisory agreement or contract directly with the sponsor/adviser of the Third Party Advisory Service selected. The advisory relationship may be terminated by you or by third parties to the contract in accordance with the provisions of the program contract. You will typically receive a pro rata refund of any prepaid advisory fees. Additionally, you may terminate an advisory contract without being assessed any fees or expenses within (5) business days of its signing.

There is no guarantee that the advisory services offered will result in your goals and objectives being met. Nor is there any guarantee of profit or protection from loss. The fees and expenses you pay in connection with Third Party Advisory Service may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that any particular fee arrangement, including wrap fee arrangements; timing services or portfolio management services of any nature will provide better returns than other investment strategies. Use of "wrap fee" programs may result in your payment of fees in excess of the combined total of separate Advisory fees and brokerage commissions paid by transaction.

#### SOLICITOR'S DISCLOSURE STATEMENT

Each advisory Client will also receive a Solicitor's Disclosure Statement, pursuant to SEC Rule 206(4)-3. The Solicitor's Disclosure Statement provides, among other things, disclosure regarding the affiliation, if any, between us and the Third Party Advisory Services, the terms of the solicitation agreement between us and the Third Party Advisory Services, including the amount of compensation to be paid to us for the solicitation; and the additional cost to you if any, as a result of the solicitation agreement.

#### **Financial Planning and Consulting Services**

Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. Our advisory representative will first conduct a complimentary initial consultation. During or after the initial consultation, if you decide to engage us for financial planning services, an advisory representative will conduct a follow up meeting during which pertinent information about your financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a written financial plan – designed to achieve your stated financial goals and objectives – may be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets and liabilities in meeting your financial goals and objectives.

Some clients may only require advice on a single aspect of the management of their financial resources. For these clients, we offer financial plans in a modular format and/or general consulting services that address only those specific areas of concern.

Financial plans are based on your financial situation at the time the plan is presented and are based on financial information you disclose to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

In general, financial planning and consulting services may include any one or all of the following:

- Estate Planning
- Insurance Planning
- Income & Tax Planning
- Retirement Planning
- Investment Planning

We are generally compensated based on the firm's hourly rate, which is \$250 for financial planning and consulting services. The amount of the hourly fee we charge you, subject to negotiation, will be directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or consulting service(s) requested. An estimate of the total cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and may request that you pay an additional fee.

We will require that you pay an initial retainer fee equal to one-half of the estimated financial planning fees in advance of any services rendered. The remaining balance shall be due and payable upon completion of the contracted services. Typically, the financial plan will be presented to you within 90 days of the contract date provided that you have promptly provided all information needed to prepare the financial plan.

You may act on our recommendations by placing securities transactions with any brokerage firm you choose. You are under no obligation to act on the firm's financial planning recommendations. Moreover, if you elect to act on any of the recommendations, you are under no obligation to implement the financial plan through us or our advisory representatives.

All clients wishing to engage us for the implementation of its financial and/or retirement plan, must, in addition to completing our internal documents and investment advisory agreement, complete a SagePoint non-brokerage new account form. Upon completion of the aforementioned documents, together with the advisory representatives securing the relevant approvals, we will be considered engaged by you. The term of engagement will either be a "one- time only" or ongoing, as set forth in the advisory agreement. For ongoing agreements, you will be responsible for ensuring that we have been timely informed of changes in investment objectives and risk tolerance.

For those clients making use of our portfolio management services and/or having engaged one of our advisory representatives who is also an insurance agent or in their capacities as a registered representative of SagePoint, the firm may, in its discretion, offset the cost of the financial planning and/or consulting services rendered for the advisory fees and/or commissions earned (i.e. commissions from the sale of securities or insurance products or advisory fees for asset management programs offered through SagePoint, among others). The scope and complexity of the services that were provided will determine the waiver or offset of the fee.

You may terminate the financial planning agreement within five days of the date of acceptance without penalty to you. After the five-day period, either party may terminate the agreement by providing written notice to the other party. You will incur a pro rata charge for bona fide financial planning/consulting services rendered prior to such termination. In the event there are any prepaid unearned fees, we will promptly refund you a pro rata share.

### **Investment Recommendation and Asset Allocation Services**

We provide non-discretionary investment recommendation and asset allocation services to clients where the

investment advice provided is custom tailored to meet the needs and investment objectives of the client. Such services may include a risk tolerance assessment, asset allocation recommendations, and/or monitoring of a client/participant's investments in a 401(k), 403(b), 457, or other type of retirement plan account. We may assist you in identifying categories of mutual funds, government securities, or other investments which are suitable based on your investment objectives and risk tolerance. You will be responsible for implementing any trade orders and/or authorizing us or your custodian to make the recommended changes. We will monitor your account on a periodic basis to ensure the account remains aligned with your stated financial objectives. You are free at all times to accept or reject any of our investment recommendations.

On an annualized basis, our fees for investment recommendation and asset allocation services, subject to negotiation, are 1% of assets under review.

You will be billed on a quarterly basis. All asset based fees are due **in advance** and are calculated based on the market value of the assets on the last business day of the previous quarter. Fees will be assessed pro rata in the event the advisory agreement is executed at any time other than the first day of a billing period. Our fees, as disclosed above, do not include any custodial fees to third-party custodians, brokerage commissions, platform fees, or fees charged by sub-advisors or mutual funds.

We will either invoice you directly, or payment of advisory fees will be made by the custodian holding your funds and securities provided you grant written authorization permitting the fees to be paid directly from the account, a non-retirement account or another related account. We will not have access to your funds for payment of fees without your written consent. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to you showing all disbursements from the account. You are encouraged to review account statements for accuracy.

### **Pension/Qualified Plan Consulting Services**

We will provide pension-consulting services to employee benefit plans, the plan sponsors, and their fiduciaries (collectively, the "Sponsor") based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, asset allocation advice, assisting the Sponsor in fund selection and investment options, communication and education services where we will assist the plan sponsor in providing meaningful information regarding the retirement plan to its participants, investment performance monitoring, and/or ongoing consulting. The firm has agreements with third party administrators ("TPAs") to provide these services as part of the TPAs agreement with the plan. In these instances, the TPA may pay a portion of the fee charged to the plan to us for their services. In other instances, the firm may be introduced to a plan through a TPA and will provide service directly to the plan.

We may hold educational seminars for the plan employees and provide information on the plan specifics and allocation choices.

The Firm may be compensated based on an hourly fee, a flat fee, a fee based on percentage of assets, or a combination of fee arrangements based on the complexity of the plan and the agreement with the Sponsor. The type and amount of the fees charged to you, subject to negotiation, will be based on the scope and complexity of the qualified plan and the requested services. An estimate of the total cost will be determined at the start of the advisory relationship. The final fee shall be directly dependent upon the facts and circumstances of your financial situation and the complexity of the pension consulting services provided. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and may request that you pay an additional fee. We typically require the payment of fees for pension consulting services monthly in advance.

All client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). We will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as we recommend. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

### **Termination**

We, the TPA, or the Sponsor may terminate the pension consulting agreement within five business days of the date of acceptance without penalty to you. After the five-day period, either party may terminate the pension consulting agreement by providing written notice to the other party. The Plan may incur a charge for services rendered prior to such termination. If applicable, any unearned fees will be refunded on a pro rata basis. The pension consulting fees will be pro-rated for the quarter in which the cancellation notice was given and unearned fees will be refunded to you.

### **Retirement Plan Education to Employees**

We may also assist with providing investment-related retirement plan educational seminars to employees on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our retirement plan educational seminars may include other investment-related topics specific to the particular retirement plan.

### **Types of Investments**

We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities mutual funds, exchange traded funds (ETFs), variable annuities, US Government securities, options contracts on securities, and interest in partnerships investing in real estate, oil and gas interests. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2010, we manage approximately \$54,793,608 in client assets on a discretionary basis, and \$3,624,219 in client assets on a non-discretionary basis.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

### **MANAGED ASSETS PROGRAM**

We offer the MAP Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Please also refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual

funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

#### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives SagePoint Financial, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm unless done in the conjunction with a selected investment management program(s).

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. We also offer our services to 401(k) plans and/or other type of employee benefit plans through third party administrators.

In general, we require a minimum account size of \$50,000 to initiate and maintain a VISION2020 Advisor Program Non Wrap Fee Account and a minimum of \$100,000 for a Wrap Fee Account. With regard to the

Managed Asset Program, we require a minimum account size of \$100,000 to open and maintain this account. At our discretion and depending on the client's circumstances, we may waive the minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum (such as parents and grandparents).

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

Form ADV Part 2A, Item 8

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Advisory Representatives using the VISION2020Advisor Program have access to online portfolio software tools that assist in analyzing Client portfolios. Such software is based upon Modern Portfolio Theory (MPT). MPT attempts to balance a portfolios risk and return level based on a particular Client's risk tolerance and investment objectives. Ibbotson Associates research is used in conjunction with the asset allocation software to provide Clients with access to risk tolerance assessments, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools. Advisory Representatives have the option to use alternative methods of analysis if they so choose.

For mutual fund and ETF analysis we may use, but are not limited to Morningstar, Lipper, personal manager due diligence and publicly available research reports on the managers. Analysis categories may include risk, return, expense ratio, manager tenure, standard deviation, and alpha and allocation consistency comparisons when appropriate.

For the Third-Party Advisory Referral Program, our recommendations for third-party advisers and programs will be based on research reports and analysis of performance provided by third-party advisers and publicly available research and reports regarding investment strategies and programs generally offered by a variety of third-party investment advisers. We may utilize computer software programs provided by such third-party advisers in providing this advice to Clients.

Further, we may perform quantitative or qualitative analysis of individual securities; however, we will primarily advise you on how to allocate your assets among various classes of securities or third party investment advisers. We may replace any third party advisers if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

#### Investment Strategies

We may use one or more of the following investment strategies when providing investment advice to you:

- **Long Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

#### *Tax Considerations*

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of



your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm or the TPA managing your account will either instruct the custodian to use the first-in, first-out (“FIFO”) accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

You should be advised of the following risks when investing in mutual funds.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load” and charge no fee to buy into, or sell out of the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be “closed end” or “open end.”

## ***Disciplinary Information***

Form ADV Part 2A, Item 9

BMS Financial Advisors, LLC has been registered and providing investment advisory services since 2005. Neither our firm, nor any of our management persons have been involved in any material disciplinary events.

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

Form ADV Part 2A, Item 10

Our advisory representatives are associated with SagePoint Financial, Inc. (“SagePoint”). SagePoint is a diversified financial services company engaged in the sale of specialized investment products. Advisory representatives may recommend securities or insurance products offered by SagePoint. If you purchase these



products through your designated advisory representative, s/he will receive the normal commissions. You are under no obligation to purchase securities products through any person affiliated with our firm or through SagePoint unless done in the conjunction with an investment management program(s). Please see the "Fees and Compensation" section in this Brochure for more information on the commission-based compensation received by associated persons of our firm.

Our advisory representatives are also licensed to conduct advisory activities through SagePoint's Corporate Registered Investment Adviser. As such, advisory representatives may earn asset-based fees through SagePoint for engaging in certain types of advisory activities.

#### **Recommendation of Other Advisers**

We provide advice on third party investment advisers ("TPA") who offer timing services, asset allocation services, and wrap fee accounts. We will be compensated by participating in the advisory fee charged by the third-party adviser. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. Full disclosure will be provided at the time of solicitation pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940.

An affiliate of SagePoint, SunAmerica Asset Management Corp. ("SAMC") is a participating manager in certain wrap fee programs, which, may be offered, by certain third-party managers to whom we may refer our Clients. If you decide to utilize the services of SAMC, you should carefully review the conflicts of interest disclosed in that manager's Form ADV Part II or equivalent disclosure document. SAMC also provides individual management and administrative services to certain investment companies for a fee pursuant to a contract. Shares in these investment companies are sold as publicly registered mutual funds by various broker-dealers, including SagePoint. These shares may be purchased in advisory accounts solicited by us, and may also be purchased otherwise by our other Clients with non-advisory account assets.

SagePoint may provide brokerage services to one or more of the third-party advisers to whom we may refer you, in which capacity SagePoint may receive brokerage fees for transactions completed on behalf of our Clients, a portion of which may be paid to your advisory representative.

SagePoint may also act as paying agent with respect to payments made by third-party advisers to us under solicitor's agreements between them. SagePoint does not act as an investment adviser with respect to any accounts, which, are referred directly by us to third-party advisers. **You will not have an investment adviser relationship with SagePoint unless you have signed a direct advisory contract with SagePoint, and then only in relation to the assets subject to that contract.**

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

Form ADV Part 2A, Item 11

#### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

You may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

As Registered Representatives of SagePoint, our advisory representatives, may recommend to you the purchase or sale of investment products in which the advisory representatives and SagePoint or a related entity, may have some financial interest, including the receipt of compensation. Certain mutual funds (and/or their related persons) in which you may invest make a 12b-1 fee payments to broker-dealers. Such payments may be distributed pursuant to a 12b-1-distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. SagePoint and/or our advisory representatives may receive such 12b-1 fees or other compensation to the extent permitted by applicable law.

A fund that imposes a front end sales load but which waives that front-end sales load for purchases made on behalf of your account (a "front-end load" fund at net asset value) may bear 12b-1 distribution or services fees in excess of 0.25% of the Account's net assets invested in such fund (the minimum allowed for no-load funds). The 12b-1 fees deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund's prospectus. Because of these compensation arrangements, a conflict of interest may exist in connection with the recommendation of particular mutual fund investments for your account.

Certain investment advisers may also execute transactions through SunAmerica Trust Company, an affiliate of SagePoint, or another affiliate of SagePoint may act as custodian and receive compensation in connection with certain Third Party Advisory programs.

SagePoint utilizes money market funds as temporary investment vehicles for Program Clients as permitted by law and subject to applicable restrictions. The use of money market funds either in "sweep" arrangements, for temporary investment purposes or otherwise, may result in SagePoint earning advisory, distribution or other fees described herein. When permitted by law, the money market funds utilized in connection with the Program, may be affiliated with SagePoint.

Certain money market funds pay a periodic fee (i.e. "Rule 12b-1 fee") to the broker-dealer of record on the account. SagePoint, as well as our advisory representatives, may receive a portion of any Rule 12b-1 fees paid to the broker-dealer from money market funds recommended to our advisory Clients. The fees earned by SagePoint may vary depending on the funds utilized and may be waived or credited to you against advisory fees payable to us in connection with certain programs offered by SagePoint.

Pershing's role is strictly limited to the provision of brokerage and custodial services in connection with the Program. SagePoint compensates Pershing for the services it provides in connection with the Program.

## ***Brokerage Practices***

Form ADV Part 2A, Item 12

As disclosed in several sections of this Brochure, persons providing investment advice on behalf of our firm who are registered representatives of SagePoint will recommend SagePoint to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from SagePoint unless SagePoint provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through SagePoint. It may be the case that SagePoint charges higher or lower transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through SagePoint, these individuals (in their separate capacities as registered representatives) may earn commission-based compensation as result of

placing the recommended securities transactions through SagePoint. ***Please see the “Fees and Compensation” section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.***

You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use SagePoint, you may not be able to participate in some of the investment management programs we offer.

#### **Research and Other Benefits**

Some of our advisory representatives may receive, in their capacity as Registered Representatives of SagePoint, 12-b-1 fees from recommending investments in various mutual funds. Furthermore, such advisory representatives may also receive reimbursements and/or compensation from product sponsors for expenses arising from conducting/sponsoring client seminars, presentations and workshops that provide information regarding certain investment products. For brokerage programs provided by SagePoint, it furnishes certain materials and forms for the programs, including account agreement forms to be used by representatives of SagePoint when opening up Client accounts. SagePoint reviews and, if applicable, approves the material solely in its capacity as broker-dealer for the account.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”) because we investment primarily in Mutual Funds which do not trade in blocks.

## ***Review of Accounts***

Form ADV Part 2A, Item 13

Hugh T. Boyle, CEO, and Douglas A. Maher, CCO/President, will monitor your accounts on a continuous basis, and your designated advisory representative will contact you at least annually to review your financial status, goals and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to trading activity, changes in your financial situation or investment objectives, and per your request for an additional review of your account.

We will not provide you with additional or regular written reports in conjunction with account reviews. You will receive quarterly statements from your account custodian(s) that will contain the following information: the current market value of your portfolio, transactions, interest, dividends, and capital gains for the reporting period.

For Pension/Qualified Plan Consulting Services, we will conduct a periodic review of fund expenses, investment performance, and style drift for mutual funds offered by the Plan to participants, comparing them with other funds in the same asset category using Morningstar data from Principia and MPI Stylus. We will also provide suggestions to the Named Fiduciary from time to time as deemed warranted by the investment adviser representative for alternative mutual fund options for the Plan to make available to its participants (which decision shall remain the sole and exclusive decision of the Named Fiduciary and/or their fiduciary delegate).

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

### **Client Referrals**

We graciously accept referrals from our clients and they are a major growth area of our business, however we do not compensate any individual or client for referrals.

### **Other Compensation**

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with SagePoint. As such, SagePoint offers our advisory representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals.

For more information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

### ***SagePoint Financial, Inc.'s Revenue Sharing Disclosure***

SagePoint Financial, Inc. (SagePoint) maintains revenue sharing arrangements with certain mutual funds, insurance companies, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. These sponsors have greater access to our representatives to provide training and other educational presentations and product information so that they can serve investors better. Please visit our Web site at [www.sagepointfinancial.com](http://www.sagepointfinancial.com) to see a list of sponsors who participate in these revenue sharing arrangements.

In addition to the customary sales charges, the sponsors make payments to SagePoint to participate in the program. For mutual funds, SagePoint receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). Alternatively, SagePoint may receive from certain mutual funds a flat fee that does not exceed the Gross Sales Payment. SagePoint may also receive an additional payment, paid quarterly, of up to 0.11 percent (eleven basis points) per year of the assets under management held at SagePoint. For variable annuities, SagePoint receives a Gross Sales Payment of up to 0.25 percent (25 basis points). In addition, SagePoint may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For variable universal life insurance, SagePoint receives a 6% marketing allowance on all paid first year commission target premium from all sources on permanent plans of life insurance (to include variable universal life, universal life, indexed universal life and whole life products). Any levelized first year commission or spread first year commission products will earn the 6% marketing allowance for the term of the spread commission (i.e., 3 years, 5 years, etc.). For DPPs and REITs, SagePoint receives a Gross Sales Payment of up to 2 percent. For 529 plans, SagePoint receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points). In addition, SagePoint may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For third party money managers, SagePoint may receive up to 0.2 percent (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of FAs of SagePoint. In addition, SagePoint may also receive a flat fee of up to \$100,000.

For specific information about payments from the sponsors, please see our website at [www.sagepointfinancial.com](http://www.sagepointfinancial.com).

Our SagePoint Financial Advisors (Hugh Boyle and Douglas Maher) do not receive additional compensation from SagePoint in connection with sales of the sponsors' products as opposed to other mutual fund families, insurance companies, DPP sponsors, REIT sponsors or third party money managers. In connection with sales of the sponsors' mutual funds, however, SagePoint often absorbs the nominal "ticket charge," which is normally borne by your representative (up to \$15 per transaction).

Because of these revenue sharing arrangements, representatives may prefer recommending products offered by a sponsor over other mutual funds, variable products, DPPs, REITs or third party money managers available

through SagePoint. You should feel free to ask your representative how he or she will be compensated for any transaction involving a sponsor's products.

*This information was updated on January 20, 2009 SagePoint will update information regarding sponsors who participate in revenue sharing arrangements with SagePoint on its website on a regular basis. You can access this updated information, and our Disclosure Document For Mutual Fund and Variable Product, Real Estate Investment Trust, Direct Participation Program and Third Party Money Manager Investors at [www.sagepointfinancial.com](http://www.sagepointfinancial.com).*

## ***Custody***

Form ADV Part 2A, Item 15

As paying agent for our firm, your independent custodian may directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## ***Investment Discretion***

Form ADV Part 2A, Item 16

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, and/or trading authorization forms.

You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

## ***Voting Client Securities***

Form ADV Part 2A, Item 17

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

### ***Financial Information***

Form ADV Part 2A, Item 18

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of fees six or more months in advance and in excess of \$1,200. Therefore, we are not required to include a financial statement with this brochure.

### ***Additional Information***

#### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

#### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.