



CHOICE Advisory Group, Inc.

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This brochure provides information about the qualifications and business practices of **Choice Advisory Group**. If you have any questions about the contents of this brochure, please contact us at: 512-302-6060, or by email at: info@choiceami.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 **Choice Advisory Group** is available on the SEC's website at www.adviserinfo.sec.gov

Version: March 22, 2011

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 512-302-6060 or by email at: info@choiceami.com. We would be glad to email or mail you a copy.

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Advisory Business

Firm Description

Choice Advisory Group, Inc., (“**Choice Advisory Group**” or “**Choice**”) was founded in 2005 in Austin, Texas. We are a proud local company comprised of independent financial advisors.

Choice Advisory Group, a SEC registered* investment advisory firm, provides asset and portfolio management for those clients that prefer fee based charges versus a commission based program. Clients using **Choice Advisory Group** have access to a wide selection of services ranging from financial planning and portfolio analysis to a varied group of portfolio management services.

* Please note that being “registered” is simply the end result of a registration process, and does not imply any specific level of skill, training or achievement.

Choice Advisory Group works with clients and businesses providing the following services:

- Portfolio Management
- Financial Planning
- Tax Planning
- Estate Planning
- Business Succession Planning

All recommendations are provided by fully independent advisors of **Choice Advisory Group** who have no quotas and no requirement to sell **Choice** created products. This structure prevents outside influences which may compromise the quality and integrity of our services. Our firm and its advisors follow the fiduciary standard to provide our clients with the highest quality experience available.

Choice Advisory Group does not maintain custody of client assets. Advisory accounts are held at either of our institutional affiliates Fidelity Institutional Services or Charles Schwab & Co.. Client Accounts are protected by SIPC as

well as supplementary coverage. This coverage does not protect against market loss.

Choice Advisory Group is strictly a fee-only investment management firm. The firm does not sell insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm will occasionally sell a fee only annuity product. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, **Choice Advisory Group** may advise clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Choice Advisory Group does not act as a custodian of client assets. The client always maintains asset control. **Choice Advisory Group** places trades for clients in accordance with its investment management agreement.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone or in person, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Choice Advisory Group is wholly owned by its parent company, **Choice Asset Management** a privately-owned firm. The principal supervisors of **Choice Advisory Group** are Donald A. Itzen, Founder, and John R. Hennes, Chief Compliance Officer. The primary shareholders of **Choice Asset Management** are Donald A. Itzen and Paul Jacobs.

Types of Advisory Services

Choice Advisory Group provides investment management services for accounts directly managed by **Choice** and occasional management of third party accounts such as participants in 401k's. **Choice** also furnishes investment advice through consultations.

Choice Advisory Group offers its clients both custom-designed portfolios as well as allows access to its own proprietary model portfolios.

The **Choice** Proprietary Models are:

- **Choice** Conservative Income and Growth
- **Choice** Growth and Income
- **Choice** Growth
- **Choice** Alpha Growth

These four distinct model portfolios are managed by our Investment Policy Committee and are generated through a process known as quantitative analysis. Quantitative analysis uses statistical measures to collect and interpret financial data. This measurable and verifiable data includes, but is not limited to mutual fund performance, measures of risk, management tenure, and market share. These models are selected based on a clients risk tolerance and objectives.

On more than an occasional basis, **Choice Advisory Group** consults with clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning. The purpose of tax planning is to discover how to accomplish all of the other elements of a financial plan in the most tax-efficient manner possible.

Choice Advisory Group does not provide tax or legal advice. Please see a tax professional for any official tax business.

As of March 1, 2011, **Choice Advisory Group** manages approximately \$61.2 million in assets for approximately 175 client households.

Asset Management

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. There may be a transaction fee for the purchase of some funds.

Choice Advisory Group does not receive any compensation, in any form, from fund companies.

Additional Investments may also include: equities (stocks), debt securities, and variable annuities.

Initial public offerings (IPOs), futures contracts, and interests in partnerships. are not available through **Choice Advisory Group**.

Tailored Relationships

The goals and objectives for each client are documented in our client new account applications and risk assessment questionnaires. These assist the financial advisor to determine the right investments for the client.

Clients may impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs.

Types of Agreements

The following agreements define the typical client relationship.

▪ Investment Management Agreement

Most clients choose to have **Choice Advisory Group** manage their assets in order to obtain ongoing in-depth advice. All aspects of the client's financial affairs are reviewed. As objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship.

The annual Investment Management Agreement fee is based on a percentage of the investable assets according to the following schedule:

| Suggested Fee Schedule | |
|--------------------------|-----------------|
| <u>Account Size (\$)</u> | <u>ADV Fee*</u> |
| 50,000 - 149,999 | 2.25% |
| 150,000 - 499,999 | 2.00% |
| 500,000 - 1,499,999 | 1.50% |
| 1,500,000 - 2,499,999 | 1.25% |
| 2,500,000 - 4,999,999 | 1.15% |
| 5,000,000 + | 1.00% |

*Advisory accounts may be subject to higher fees than those illustrated.

The above schedule is negotiable with your individual financial advisor. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at

the client's discretion. The client or the investment manager may terminate an Agreement at any time with a 30 day written notice to the other party. At termination, fees will be charged on a pro rata basis for the portion of the month completed. Fees will be based upon the previous month's portfolio value.

All assets are managed on a discretionary basis as outlined in the investment management agreement.

Agreements may not be transferred to without client consent.

Rescission: Client may cancel the management agreement without penalty within five (5) business days of its execution

▪ **Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes; If necessary, one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is based upon the facts known at the start of the engagement. The minimum fee is negotiable with your financial advisor. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately beginning at the rate of \$125.00 per hour.

Choice Advisory Group also provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements begins at \$125.00 per hour and is negotiable with the financial planner.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying **Choice Advisory Group** in writing 30 days in advance and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, **Choice Advisory Group** will refund any unearned portion of the advance payment.

Choice Advisory Group may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, **Choice Advisory Group** will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Choice Advisory Group bases its fees on a percentage of assets under management, hourly charges, and occasionally fixed fees.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiable.

The fundamental method of calculating fees is as a percentage of assets under management.

Pro-rated calendar days per month of the annual fee will respectively charged each month by applying the following formula:

Monthly Calculation = Total Assets Under Management x Monthly Fee

Fees are payable in advance on the first day of the month and are delinquent after the 15th day of the month. Any account in which fees are delinquent for more than 15 days is subject to termination of services. Clients whose services

have been terminated will be notified by phone, or by mail to the last known address. The firm will not automatically change an investment position in the event of termination of services.

Pro-rating for New Accounts is calculated by the following formula:

$$\text{Monthly Calculation} \times \{\text{Days Remaining in Month} / \text{Total number of Days in Month}\}.$$

Pro-rating for Terminating Accounts is calculated by the following formula:

$$\text{Fees Paid} \times \{\text{Days Remaining in Month} / \text{Total Number of Days in Month}\}.$$

Fee Billing

In most instances clients will be billed an annual fee (invoiced monthly). The Financial Advisor may invoice the client a separate fee, billed monthly or quarterly, in lieu of or in addition to the annual fee to account for additional services provided to the client.

Management fees are automatically deducted from clients account or billed to the Client on a monthly basis, not more than one month in advance of service. Fees are calculated on the basis of total market value of assets at the time the account is opened by the Advisor. Thereafter fees are calculated monthly, based on the account value on the last business day of the previous billing period. Management fees on new accounts and additions made to the existing accounts will be payable in advance for the remainder of the billing period on a pro-rata basis. For accounts that are billed to the Client on a monthly basis, if the agreement is terminated, any collected but unearned management fees are refundable to the Client upon request on a pro-rata basis. Such fees may be amended from time to time by Advisor upon sixty (60) days written notice to Client.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan. The advance fee is negotiable by the financial planner.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds, exchange-traded funds, and stocks. These transaction charges

are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Choice Advisory Group, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Clients always retain the right to purchase investment products recommended by other brokers or agents that are not affiliated with **Choice Advisory Group**.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are independent of **Choice** and are in addition to the fees paid by you to **Choice Advisory Group**.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

Choice Advisory Group reserves the right to stop work on any account that is more than 15 days overdue. In addition, **Choice Advisory Group** reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Choice Advisory Group does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

Choice Advisory Group generally provides investment advice to individuals, pension and profit sharing plans (including 401k plans), trusts, estates, charitable organizations, and corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

The minimum household size is \$50,000.00 of assets under management..

Choice Advisory Group has the discretion to waive the account minimum. Accounts of less than \$50,000.00 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$50,000.00 within a reasonable time. Other exceptions may apply to employees of **Choice Advisory Group** and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed fees in accordance with the investment management agreement. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, quantitative analysis, and asset allocation.

Charting analysis involves the use of patterns in performance charts. **Choice Advisory Group** uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves analysis of past market data; primarily price and volume.

Quantitative analysis is the examination of measurable and verifiable data collected such as but not limited to stock performance, measures of risk, management tenure, and market share.

Asset allocation involves dividing an investment portfolio among different asset categories, such as stocks, bonds, and cash. The process of determining which mix of assets to hold in your portfolio is a very personal one. The asset allocation that works best for you at any given point in your life will depend largely on your time horizon and your ability to tolerate risk.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, financial websites, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that **Choice Advisory Group** may use include Morningstar software, Charles Schwab & Company's institutional platform service, Fidelity Advisor Channel institutional platform, and the World Wide Web.

Investment Strategies

Independent financial advisors use a range of investment strategies to include but not limited to asset allocation, quantitative analysis, technical analysis, and fundamental analysis. Please consult with your independent financial advisor for more information on their particular investment strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Choice Advisory Group is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

Choice Advisory Group has arrangements that are material to its advisory or its clients with our affiliates which include a broker-dealer, Choice Investments, Inc. and an insurance company, Choice Risk Management, LLC.. These companies are all sub affiliates of our parent company Choice Asset Management, Inc. We also have agreements in place with certain investment advisors and pension consultants to provide services per the client's needs.

These affiliates may be recommended or used to purchase certain services per the client's objectives and this could generate possible additional revenue for the financial advisor or our firm.

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

Code of Ethics

The employees of **Choice Advisory Group** have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

Participation or Interest in Client Transactions

Choice Advisory Group and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the **Choice Advisory Group** Compliance Manual.

Personal Trading

The Chief Compliance Officer of **Choice Advisory Group** is John R. Hennes. He reviews all employee trades each month. His trades are reviewed by Donald Itzen. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

Choice Advisory Group does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. **Choice Advisory Group** recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Choice Advisory Group recommends discount brokerage firms and trust companies (qualified custodians), such as Fidelity Institutional Services or Charles Schwab & Co. **Choice Advisory Group** does not receive fees or commissions from any of these arrangements.

Choice Advisory Group may be provided software or other benefits from vendors in order to execute trades in accounts associated with **Choice Advisory Group**.

Best Execution

Choice Advisory Group reviews the execution of trades at each custodian on an ongoing basis. The review is documented in the **Choice Advisory Group** Compliance Manual. Trading fees charged by the custodians is also reviewed

on a quarterly basis. **Choice Advisory Group** does not receive any portion of the trading fees or fees charged by mutual funds.

Soft Dollars

Choice Advisory Group does not have any “soft dollar” arrangements with any custodial firm.

Soft dollars is an offer from a company to pay certain expenses or provide certain services to the investment advisor in exchange for executing trades at that company.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Investment Policy Committee (IPC) is charged with reviewing and providing oversight with regard to both model portfolio and non-model portfolio (i. e. managed and supervisory) assets and will be reviewed at least monthly and more frequently during volatile market periods.

The IPC committee members* and their backgrounds are as follows:

Martin Oberli, Born 1970, University Bachelors: 1996, Degree: Engineer, Further Education: MBA UT-Austin, Joined Choice: 2005, Previous Firm(s): Nestle Chile S.A.

Donald Itzen, Born 1932, University Bachelors: St. Edwards University, Degree: Business Management, Joined Industry: 1978, Joined Choice: 1984, Previous Firm(s): E.F. Hutton, Rotan Mosle Inc., Paine Webber Inc.

Sue Ann Bunner, Born 1939, BA Wayland Baptist University, Texas Tech University Joined Choice 2005, Previous Firms: Charles Schwab, Foresters, & AG Edwards

John R. Hennes, Born 1954, University of Texas, University of Houston (BBA-Finance) Previous Firms: Rotan Mosle, Eppler, Guerin, & Turner. Joined Choice 1994

Johana Huff, Born 1943, BBA University of Texas, Pain Webber 1989 to 1992.
Joined Choice: 1992

Michael Tolbert, Born 1947, Bachelors & Masters from Southern Methodist University, Joined Choice: 1999 Previous Firms: Dean Witter Reynolds, Inc

*IPC members may be changed in the future at the company's discretion.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Choice Advisory Group provides quarterly reports to advisory clients reflecting a current market appraisal of the client's account with realized gains, dividends, and interest. The statements detail the customer's beginning-ending balances and a performance report. At each year's end, additional reports are issued concerning realized gains, dividends, and interest. Clients also receive statements from their custodian at least quarterly per the custodian's policies.

Clients should always ultimately rely on their statements from their custodian and use those statements to verify information provided to them by **Choice Advisory Group**.

Client Referrals and Other Compensation

Incoming Referrals

Choice Advisory Group has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does occasionally compensate referring parties for these referrals.

Choice Advisory Group does have solicitors affiliated with Choice Investments, Inc. that refer clients who would benefit from advisory services to advisors who are licensed to do business with **Choice Advisory Group**. The solicitor does receive compensation from this referral.

Referrals Out

Choice Advisory Group does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

Some of **Choice Advisory Group** financial advisors are also registered representatives, licensed to sell securities with our affiliate Choice Investments, Inc., a registered Broker Dealer, which is a member of FINRA and SIPC, and may be licensed to sell insurance products through various companies including our insurance agency Choice Risk Management, LLC. The client may make purchases and sales of securities and insurance through Choice Investments, Inc. and/or Choice Risk Management, LLC. These transactions may result in commissions being paid to the Broker Dealer, insurance agency and/or the financial advisor. Commissions may offset advisory fees.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by **Choice Advisory Group**.

Investment Discretion

Discretionary Authority for Trading

Choice Advisory Group accepts discretionary authority to manage securities accounts on behalf of clients. **Choice Advisory Group** has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. This

arrangement is agreed upon and detailed in the investment management agreement.

The client approves the custodian to be used. **Choice Advisory Group** does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in a client's accounts on their behalf so that we may promptly implement the client's investment objectives.

Limited Power of Attorney

Our Investment Management Agreement provides the trading authorization for this purpose. Clients sign our investment management agreement so that we may execute the trades in line with the objectives and portfolio needs disclosed by the client.

Voting Client Securities

Proxy Votes

Choice Advisory Group does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, **Choice Advisory Group** will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

Choice Advisory Group does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because **Choice Advisory Group** does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

Choice Advisory Group has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. You may request a complete copy of our Business Continuity Plan by calling 512-302-6060 or sending an email request to info@choiceami.com.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

Choice Advisory Group has taken the steps necessary to ensure that company operations will continue unabated in the event of the death or serious disability of key personnel.

Information Security Program

Information Security

Choice Advisory Group maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

We at **Choice Advisory Group, Inc.** understand and appreciate that our clients are concerned about their privacy and about the confidentiality and security of information that we may obtain from them. This policy describes the steps we have taken to safeguard your information and what client information we may share with others. This Privacy Policy applies to our current and former clients.

If you choose to become a client of **Choice**, you will need to give us certain personal information so that we may open your account. The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

We pledge our commitment to maintain the confidentiality of this information.

TO WHOM WE SHARE INFORMATION ABOUT YOU

We may share your personal information among our operating affiliates, **Choice Advisory Group, Inc.** and Choice Investments, Inc., Choice Risk Management, LLC, and certain non-affiliated companies, such as Fidelity Investments, Inc. or any other custodians we may work with to service your account.

WHAT INFORMATION ABOUT YOU DO WE DISCLOSE TO NON-AFFILIATES

We may share your personal information as necessary to service your account with:

- non-affiliated companies with whom we have contracted with to provide marketing services on our behalf and companies with whom we jointly market certain products and services;
- non-affiliated companies that provide processing, account maintenance and related services in connection with your investments and other transactions handled by us; and
- non-affiliated companies and government agencies only to the extent permitted or required by law, for legal, regulatory or other similar purposes.

WE DO NOT SELL YOUR INFORMATION

Choice does not sell your personal information to anyone. The primary reason for sharing information about you is to give you more financial service options, to more efficiently serve you, and to increase the convenience of our services to you.

HOW DO WE PROTECT YOUR PERSONAL INFORMATION

We maintain the confidentiality, security and integrity of your personal information by:

- Restricting access to your nonpublic personal information to those employees with a legitimate need for the information;
- Maintaining physical electronic and procedural safeguards that meet or exceed federal and industry standards governing how nonpublic personal information should be stored; and
- Contractually limiting the information sharing ability of non-affiliated companies with whom we share your information.

OPTION TO OPT OUT IN THE FUTURE

As Choice does not currently sell or provide your information to any outside party except to service your account, there is no “opt out” option at this time. If at any time, we change our policy in this respect, we will send you a notice with an appropriate opt out mechanism.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, physical address, date of birth, as well as a copy of personal identification documents. With your permission, we share a limited amount of information about you with your custodian firm in order to execute securities transactions on your behalf. Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We are required by law to deliver this *Privacy Notice* to you annually, in writing.