
FORM ADV PART 2A – FIRM BROCHURE
ITEM 1: COVER PAGE
FEBRUARY 22, 2017



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This brochure provides information about the qualifications and business practices of Providus Advisors, LLC (hereinafter referred to as the "Adviser", "us", "we", or "our firm"). If you have any questions about the contents of this brochure, please contact us by telephone or email at info@providusadvisors.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 Providus Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of Providus Advisors, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

ITEM 2: MATERIAL CHANGES TO OUR PART 2A OF FORM ADV: FIRM BROCHURE

Providus Advisors, LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Last Annual Updating Amendment: March 25, 2016

There are no material changes to report about our Brochure.

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ITEM 4: ADVISORY BUSINESS

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)¹.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Arizona and has been in business as an investment adviser since 2005. The firm is owned as follows:

Michael McGinley – 51%

James Dwyer – 49%

B. Description of the Types of Advisory Services We Offer.

(i) Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of exchange traded funds (“ETFs”), mutual funds and closed-end mutual funds. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio regularly and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Our firm also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, our firm either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client’s retirement plan.

(ii) Financial Planning & Non-Investment Consulting/Implementation Services:

To the extent requested by a client, we may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. We do not serve as a law firm, accounting firm, or insurance agency, and no portion of our services should be construed as legal, accounting, or insurance implementation services. Accordingly, we do not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by us or our representatives. **Please Note:** If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such

¹ Please note that: (1) For purposes of this item, our principal owners include the persons we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Please Note-Use of Mutual Funds: While we may recommend allocating investment assets to mutual funds that are not available directly to the public, we may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging us as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging us as an investment adviser, the client or prospective client would not receive the benefit of our initial and ongoing investment advisory services.

Client Obligations. In performing our services, we shall not be required to verify any information received from the client or from the client's other designated professionals, and are expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify us if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

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

Retirement Plan Rollovers-Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by us, such a recommendation creates a conflict of interest if we will earn an advisory fee on the rolled over assets. To the extent that we recommend that clients roll over assets from their retirement plan to an IRA managed by us, then we represent that we and our investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974, or the Internal Revenue Code, or both. No client is under any obligation to roll over retirement plan assets to an account managed by us. Our Chief Compliance Officer, Michael McGinley, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

eMoney. We may provide our clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that we do not manage (the "Excluded Assets"). We do not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, we shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not we, shall be exclusively responsible for such investment performance. The client may choose to engage us to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between us and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by us. Finally, we shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without our assistance or oversight.

C. Explanation of whether and, if so, how we tailor our advisory services to the individual needs of clients, and whether clients may impose restrictions on investing in certain securities or types of securities.

- (i) We offer individualized investment advice to clients utilizing the Asset Management and general investment advice to clients utilizing the Financial Planning & Consulting service.
- (ii) Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management service. We do not manage assets through our Financial Planning and Consultation service.

D. Participation in Wrap Fee Programs.

We do not offer wrap fee programs.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis.

We manage² \$91,104,272 on a discretionary basis and \$28,661,879 on a non-discretionary basis as of December 31, 2016.

ITEM 5: FEES & COMPENSATION

A. Description of how we are compensated for our advisory services provided to you.

(i) Asset Management:

Assets Under Management	Annual Percentage of Assets Charge*
\$0 to \$249,999.99	1.50%
\$250,000 to \$499,999.99	1.25%
\$500,000 to \$999,999.99	1.00%
\$1,000,000 to \$2,999,999.99	0.75%
\$3,000,000 to \$9,999,999.99	0.50%
Above \$10,000,000	0.35%

*Our firm's fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of your account on the last day of the quarter. Our fees are generally not negotiable.

We generally do not require an account minimum for our investment advisory services. However, we, in our sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with you, etc.).

(ii) Financial Planning & Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of

² Please note the amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

our engagement with you. Our hourly fees are \$200 for financial advisors. Flat fees generally range from \$500 to \$10,000.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

(i) Asset Management:

Fees will generally be automatically deducted from your managed account (in rare cases, we will agree to bill clients directly). As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;

(ii) Financial Planning & Consulting:

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1200 when services cannot be rendered within 6 (six) months.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. We must disclose if clients' advisory fees are due quarterly in advance. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

The investment management agreement between our firm and the client will continue in effect until terminated by either party pursuant to the terms of the agreement. Since our firm charges fees quarterly in arrears, the final fee shall be prorated through the date of termination and any remaining balance shall be charged to the client in a timely manner.

E. Commissionable Securities Sales.

We do not sell securities for a commission in our advisory accounts.

ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

We do not accept performance-based fees.

ITEM 7: TYPES OF CLIENTS & ACCOUNT REQUIREMENTS

We have the following types of clients:

- Individuals and High Net Worth Individuals
- Trusts, Estates or Charitable Organizations

- Pension and Profit Sharing Plans

We generally do not require an account minimum for our investment advisory services. However, we, in our sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with you, etc.).

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

- Fundamental;
- Technical;
- Cyclical.

Investment Strategies We Use:

- Long Term Purchases (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);

Please Note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

The following are the types of risk that may arise to clients due to the types of securities that are recommended to or purchased for clients or the investment strategies used by our firm:

Business Risk – the risk that the price of an investment will change due to factors unique to that company, investment or market segment and not the market in general.

Liquidity Risk – the risk associated with the ease of being able to quickly convert the value of a security into an equivalent amount of cash. For example, money market funds are readily convertible (liquid) while certain limited partnership units or real estate are not.

Financial Risk – the risk to specific companies' future earnings due to their use of debt. Companies that borrow money must pay it back at some future date, plus the interest charges. This increases the uncertainty about the company because it must have enough income to pay back this amount at some time in the future.

Exchange Rate (Currency) Risk – the risk that investors in foreign investments may be subject to different exchange rates at the time they wish to convert investment proceeds back to their home currency. If exchange rate risk is high, even though substantial profits may have been made in the foreign markets, a less favorable exchange rate may reduce or eliminate these profits.

Country (Political) Risk – the risk that a major change in the political or economic environment of a foreign country may devalue investments made in that country. This risk is usually restricted to emerging or developing countries that do not have stable economic or political environments.

Market Risk – the risk that the price of a particular investment will change as a result of overall market conditions that are not specific to that particular company or investment.

Interest Rate Risk – the risk that interest rate changes will affect the price of a particular investment. For example, when interest rates rise, the price of bonds generally fall.

- B. If our firm primarily recommends a particular type of security, we must explain the material risks involved. If the type of security involves significant or unusual risks, we must discuss these risks in detail.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Asset Management, as applicable.

ITEM 9: DISCIPLINARY INFORMATION

We have no legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

We have no other financial industry activities and affiliations to disclose.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

- A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts³. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients

³ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

- B. If our firm or a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), we must describe our practice and discuss the conflicts of interest it presents.

See Item 11A of this Brochure and our Code of Ethics for specifics. Generally speaking, related persons may invest in the same securities as our clients. If a related person's account is directly managed by us, the account will be monitored, managed and reported on as any other client account of similar risk profile.

- C. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

- D. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents as well as how we address conflicts that arise.

See Item 11A of this brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics.

ITEM 12: BROKERAGE PRACTICES

- A. In the event that you request that we recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct us to use a specific broker-dealer/custodian), we generally recommend that investment management accounts be maintained at *Fidelity*. Prior to engaging us to provide investment management services, you will be required to enter into a formal *Investment Advisory Agreement* with us setting forth the terms and conditions under which we shall manage your assets, and a separate custodial/clearing agreement with the designated broker-dealer/custodian.

Factors that we consider in recommending *Fidelity* (or any other broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) to you include historical relationship with us, financial strength, reputation, execution capabilities, pricing, research, and service.

Although the commissions and/or transaction fees paid by you shall comply with our duty to obtain best execution, you may pay a commission and/or transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission/transaction rates for your account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment management fee. Our best execution responsibility is qualified if securities that it purchases for your accounts are mutual funds that trade at net asset value as determined at the daily market close.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that you utilize the services of a particular broker-dealer/custodian, we may receive from *Fidelity* (or another broker-dealer/custodian, investment manager, platform or fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service your accounts maintained at such institutions. Included within the support services that may be obtained by us may be investment-related research, pricing information and market data, software and other technology that provide access to your account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us in furtherance of our investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist us in managing and administering your accounts. Others do not directly provide such assistance, but rather assist us to manage and further develop our business enterprise.

Our clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* as a result of this arrangement. There is no corresponding commitment made by us to *Fidelity* or any other any entity to invest any specific amount or percentage of your assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Our Chief Compliance Officer, Michael McGinley, remains available to address any questions that a you may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

Directed Brokerage: We generally do not accept directed brokerage arrangements. In such directed arrangements, you direct us to utilize a specific broker-dealer for account transactions. In such event, you will be responsible for negotiating the terms and arrangements for your account with your directed broker-dealer, and we will not seek better execution services or prices from your directed broker-dealer or be able to "batch" your transactions with orders for other accounts that we manage. As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that you direct us to effect securities transactions for your accounts through a specific broker-dealer, you correspondingly acknowledge that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had you determined to effect account transactions through alternative clearing arrangements that may be available through us. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

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

ITEM 13: REVIEW OF ACCOUNTS OR FINANCIAL PLANS

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review accounts on an ongoing basis for our clients subscribing to the Asset Management service. The nature of these reviews is to learn whether clients’ accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client’s life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports provided to clients regarding their accounts.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian for their accounts. Additionally, we may also provide a written periodic report summarizing account activity and performance.

ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

Except for the arrangements outlined in Item 12 of this brochure, we have no additional custodial arrangements to disclose.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

ITEM 15: CUSTODY

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

ITEM 16: INVESTMENT DISCRETION

While our firm generally manages client accounts on a discretionary basis, we may also render nondiscretionary investment management services to clients relative to investment options in: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. When providing our firm with discretionary authorization, our firm's authority only includes the discretion to select the security, the number of shares or dollar amount, the price and the time of the transaction.

Clients who engage us on a discretionary basis may, at anytime, impose restrictions, in writing, on our discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, etc.).

ITEM 17: VOTING CLIENT SECURITIES

We may vote proxies on behalf of our clients. When we accept such responsibility, we will only cast proxy votes in a manner consistent with the best interest of our clients. Absent special circumstances, which are fully described in our Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established therein.

At any time, clients may contact us to request information about how our firm voted proxies for that client's securities or to get a copy of our Proxy Voting Policies and Procedures. A brief summary of our Proxy Voting Policies and Procedures is as follows:

- We have a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to our then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are to be followed as a general policy, certain issues will be considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, we shall devote an appropriate amount of time and resources to monitor these changes.
- In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that we maintain with persons having an interest in the outcome of certain votes, we will take appropriate steps to ensure that proxy voting decisions are made in the best interest of our clients and are not the product of such conflict.

ITEM 18: FINANCIAL INFORMATION

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year. Additionally, we do not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

ANY QUESTIONS: Our Chief Compliance Officer, Michael McGinley, remains available to address any questions regarding this Part 2A.