



## Wealth & Investment Strategies

### **Firm Brochure**

(Part 2A of Form ADV)

October 16, 2018

2565 W. Maple Road, Troy, MI 48084  
T: 248-414-1527 F: 248-414-1811

#### **EMAIL:**

[compliance@sassetmgmt.com](mailto:compliance@sassetmgmt.com)

This brochure provides information about the qualifications and business practices of Secure Asset Management, L.L.C. Being registered as a registered investment adviser does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at 248-414-1527 or by email: [compliance@sassetmgmt.com](mailto:compliance@sassetmgmt.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 Secure Asset Management, L.L.C. (IARD#144046) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## ITEM 2: MATERIAL CHANGES

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### Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. In accordance with amendment requirements, the firm is filing an updated Form ADV Part 1.

### Material Changes since the Last Update

Since the last filing of this brochure on February 2, 2018, the following material changes have been made.

- The firm has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact William Thomas by telephone at 248-414-1527 or by email at [compliance@sassetmgmt.com](mailto:compliance@sassetmgmt.com).

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## ITEM 4: ADVISORY FIRM BUSINESS DESCRIPTION

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Secure Asset Management, L.L.C., ("SAM") was founded in 2007. Bryan Spencer is 100% owner. SAM provides personalized confidential financial planning and investment management primarily to individuals. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

SAM is a fee based financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm's managing member is affiliated with entities that sell insurance products. SAM does not act as a custodian of client assets. The client always maintains asset control.

An evaluation of each client's situation is provided to the client, often in the form of an Investment Policy Statement or similar documents. Annual reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended. 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.

### Types of Advisory Services

SAM provides investment supervisory services, also known as asset management services and furnishes financial planning and investment advice through consultations.

### Asset Management

SAM offers discretionary direct asset management services to advisory clients. SAM will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize SAM discretionary authority to execute investment transactions as stated within the Investment Advisory Agreement. Clients may terminate asset management services with seven (7) days written notice.

### Selection of Other Adviser Arrangements

SAM solicits the services of Third Party Money Managers to manage some client accounts. In such circumstances, SAM receives solicitor fees from the Third Party Manager. SAM will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where SAM is recommending the adviser to clients. This is detailed in Item 10 of this brochure.

### Pension Consulting Services

SAM offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

Pension consulting services may involve the direct investment management of one or more 401(k) participant accounts, provide the selection and monitoring process for the various mutual funds offered to plan participants, develop and maintain an Investment Policy Statement for the plan, and/or provide group and individual employee education on investment options, asset allocation, and retirement planning.

### Financial Planning

If financial planning services are applicable, the client will compensate SAM on a negotiable fixed fee or an hourly fee basis described in detail under “Fees and Compensation” section of this brochure. Services include but are not limited to a thorough review of all applicable topics including Wills, Estate Plan/Trusts, Investments, Taxes, Retirement, and Insurance.

Asset protection planning (Wills, Estate Plan, Trusts) consists of breaking down client budgets and aiding clients in decision-making as to current debt, anticipated significant expenses and potential debt, and avoiding excessive debt. Investment planning involves working with clients to make sure their investments match their respective risk tolerance and goals. Tax concerns are addressed by working with the client to determine and compare effective tax rates for income, capital gains and other earnings or investments, then attempting to allocate the client’s resources accordingly. Insurance planning entails reviewing the life insurance and/or disability insurance needs of the client, together with any applicable dependents, spouse or other relatives, and assessing appropriate coverage for these individuals. Retirement planning entails making sure clients are financially equipped for retirement in light of the client’s anticipated income and expenses, investments, and other assets. It is anticipated that each of these services will take approximately 5-10 hours of financial planning. Services are available either on an a la carte basis or as part of a comprehensive financial plan at the client’s election.

The client always has the right to act upon, or decline to act upon, the investment advisor’s recommendation. If the client elects to act on any of the recommendations, then the client always has the right to effect the transaction through SAM or any other party. Financial plans will be completed and delivered inside of six (6) months. Clients may terminate financial planning services with seven (7) days written notice.

### Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities. Arrangements may not be assigned without prior written client consent.

### Wrap Fee Programs

SAM does not participate in wrap fee programs.

### Client Assets under Management

As of August 2018, SAM managed \$102,256,046 in discretionary assets under management.

## **ITEM 5: FEES AND COMPENSATION**

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### General Information: Method of Compensation, Early Termination, and Fee Schedule

SAM bases its fees on a percentage of assets under management, hourly charges, fixed fees and solicitor fees from third party money managers. Client may cancel via written notice to SAM within five (5) business days of signing the advisory agreement for a full refund.

### Asset Management

Fees for SAM Investment Management Services are negotiable and calculated as an annual percentage of the total value of investments under SAM’s management.

Assets Under Management	Annual Fee	Quarterly Fee
Up to \$250,000	2.00%	.500%
\$250,001 - \$500,000	1.75%	.425%
\$500,001 - \$1,000,000	1.50%	.375%
\$1,000,001 - \$2,500,000	1.00%	.250%
\$2,500,001 - \$5,000,000	1.00%	.250%
Over \$5,000,000	1.00%	.250%

The above fees are negotiable and the final fee schedule will be set forth in the Investment Management Services Agreement signed by the client. SAM bills both in advance and arrears as selected by the client. For fees charged in advance, SAM uses the value of the account as of the last business day of the prior billing period. For fees charged in arrears, the fee will be calculated based on the total market value of assets in the account managed by SAM as of the last business day of the quarter pursuant to the fee agreed to in Schedule C of the Advisory Agreement. Quarterly fees are calculated the last business day of March, June, September and December. Accounts opened within a given quarter are charged a pro rata share at the end of the current quarter based on the number of days managed in that quarter. [Pro-rata is calculated by multiplying the Annual Fee by the Account Value divided by the number of days in the quarter divided by 360 days. For example, if the Account value was \$100,000 and the account was open for 15 days of the quarter the calculation would be  $(2\% \times 100,000) \times (15/360) = \$80.00$ .] Client shall pay the investment advisory fee within ten (10) days following the end of the quarter being billed. In the event of termination of the Account, SAM will be entitled to a pro rata fee for the day's service was provided in the final quarter. This final fee will be deducted from the Account prior to transfer.

For all asset based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.)

In computing the market value of any investment of the Account, each security listed on any national securities exchange or otherwise subject to current last-sale reporting shall be valued at the last sale price on the valuation date. The investment advisory fee will be billed directly to the client's account at the Custodian, with an informational copy of the invoice to Client. The Custodian will deduct the fee for the Account upon receipt of the invoice, or shortly thereafter. SAM will not be compensated based on the basis of a share of capital gains or capital appreciation of the assets in the Account.

#### Automatic Fee Withdrawal

1. The authorization or agreement will be limited to withdrawing contractually agreed upon investment adviser fees as authorized in the Investment Advisory Agreement.
2. The frequency of fee withdrawal will be quarterly.
3. The custodian of the account will be advised in writing of the limitation of SAM's access to the account. This requirement may be satisfied by furnishing to the custodian a copy of this agreement.
4. The custodian will provide the client, not less than quarterly, a statement indicating all amounts disbursed from the account including, separately, the amount of advisory fees paid. This may be contained in the custodian's regular periodic report to the client.



### Subadvisory Services

In its capacity as subadviser, SAM will charge the following advisory fee:

Assets Under Management	Annual Fee	Quarterly Fee
All Assets	0.750%	0.175%

The above fees are negotiable and the final fee schedule will be set forth in the Subadviser Agreement. The subadviser shall forward SAM's fee to it on or before the 30th day following the commencement of the quarter for which the fee applies. In the event this agreement, or any account covered by this agreement, is terminated prior to the end of a quarter, the fee shall be prorated as of the date of termination. The subadviser shall pay SAM the fee on a pro-rata basis, for the period investment advisory services were provided hereunder.

### Selection of Other Adviser Fees

SAM at times will utilize the services of third-party money managers and receive a solicitor fee for soliciting clients. Specifically SAM may direct clients to:

- Assetmark, Inc.
- Cunningham Investment Management, LLC
- Crow Point Partners, LLC
- Severin Investments, LLC.
- W.E. Donoghue & Co. Inc.

The third-party adviser fees typically range from 0.05% to 0.75% annually and the aggregate fee will not exceed any limit imposed by any regulatory agency. Please see Item 10 for further description.

Assets Under Management	SAM's Fee	Third Party's Fee	Total Fee
Up to \$250,000	2.00%	.75%	2.75
\$250,001 - \$500,000	1.75%	.75%	2.50
\$500,001 - \$1,000,000	1.50%	.75%	2.25
\$1,000,001 - \$2,500,000	1.00%	.75%	1.75
\$2,500,001 - \$5,000,000	1.00%	.75%	1.75
Over \$5,000,000	1.00%	.75%	1.75

### Financial Planning

Services are offered on either a negotiable hourly fee of \$300 or negotiable fixed fee with a maximum fee of \$10,000. The hourly fee will typically be for ongoing financial planning while the fixed fee will be for a comprehensive financial plan and discrete engagement. The final rate will depend on the needs of the client and the breadth of the advisory relationship with SAM. Prior to the planning process the client will be provided an estimated plan fee. Payments are paid in arrears, payable monthly, quarterly or annually by check. Client may cancel via written notice to SAM within five (5) business days of signing Agreement for a full refund. Thereafter, Client may cancel via written notice to SAM with seven (7) days written notice and any unearned fees will be refunded to Client based

on the number of hours worked and the hourly rate of \$300. Clients can choose any type of financial planning service for the \$300 per hour rate.

#### Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange traded funds. 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. SAM, 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.).

#### Renewal Fees

Your Financial Planning Agreement will be renewed from year to year unless or until you terminate the agreement by sending us written notice. Renewal fees will be the same as specified in the agreement unless changed by mutual agreement because of changes in the factors, described above, that affect our cost of providing these services. Like the initial year's planning fees, the renewal fees can be paid by check in monthly or quarterly installments.

#### Additional Fees and Charges

We will notify you in advance if any additional fees, beyond the initial or renewal fee. Any additional fees must be approved by you in writing prior to any action taken on your behalf. Our fees are not calculated or charged on the basis of a share of capital gains or capital appreciation of your funds or any portion of your funds. Our fees for financial planning services, as described above, are separate and distinct from the fees and expenses charged by mutual funds to their shareholders or by insurance companies charged to their policy holders. If you purchase mutual fund shares or a variable insurance product, you will incur these additional fees and charges at the fund level. These fees and expenses are described in each prospectus for a mutual fund or variable insurance product. These additional fund-level fees may include, but are not limited to, a management fee, other fund expenses, mortality and expense risk charge or possible distribution fee. If the product imposes a sales charge, a client may pay an initial or deferred sales charge.

You could invest in mutual funds or variable insurance products directly, without SAM's services. In this case, you would not receive SAM's services. SAM's services are designed, among other things, to assist you in determining which investment vehicle(s) are most appropriate to your financial condition and objectives. Accordingly, in selecting our services you should consider both the fund-level fees charged by mutual fund or insurance company and SAM's fees that will be charged to you directly.

#### Prepayment of Client Fees

Refunds for fees paid in advance will be returned within fourteen days (14) to the client via check, or return deposit back into the client's account. Calculation of refunds for different services are described above under the specific service.

#### External Compensation for the Sale of Securities to Clients

SAM does not receive any external compensation for the sale of securities to clients; however, affiliated persons may also be registered representatives of an unaffiliated broker dealer and receive external compensation for the sale of securities to clients. This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As a registered representative, affiliated persons do not charge advisory fees for the services offered through the unaffiliated broker dealer. This conflict is mitigated by the fact that SAM has a fiduciary

responsibility to place the best interest of the client first and clients always have the right to purchase these products, should they wish to do so, through another insurance of their choosing.

#### Pension Consulting/Retirement Plan Advisory Fees

Fees for each of the SAM Retirement Plan Advisory Services described above are negotiable and calculated as a percentage of the total value of investments under SAM's advisement at the rates set forth in the Fee Schedule below and as set forth in each retirement plan client's Retirement Plan Fiduciary Investment Advisory and Management Services Agreement. In addition to this advisory fee, there may be transactional fees and commissions charged by the account's custodian, depending upon the type of security. Administrative and servicing fees may also be charged by third party broker-dealers and custodians.

**ERISA Section 3(21) Plan Investment Advisory Services.** Fees due Secure shall be calculated in accordance with the following schedule and charged as specified in paragraph 7 of the ERISA Retirement Plan Agreement:

<b>Assets Under Advisement</b>			
<b>From:</b>	<b>To:</b>	<b>Annual Fee %</b>	<b>Quarterly Fee %</b>
\$0	\$250,000	0.90	.2250
\$250,001	\$500,000	0.70	.1750
\$500,001	\$1,000,000	0.40	.1000
Over	\$1,000,000	0.27	.0675

**ERISA Section 3(38) Plan Investment Management Services.** Fees due Secure shall be calculated in accordance with the following schedule and charged as specified in paragraph 7 of the ERISA Retirement Plan Agreement:

<b>Assets Under Advisement</b>			
<b>From:</b>	<b>To:</b>	<b>Annual Fee %</b>	<b>Quarterly Fee %</b>
\$0	\$1,000,000	1.000	.2250
\$1,000,001	\$3,000,000	0.750	.1875
\$3,000,001	\$5,000,000	0.650	.1625
Over	\$5,000,000	0.550	.1375

**Participant Advice Services.** Fees due Secure shall be calculated in accordance with the following schedules and charged as specified in paragraph 7 of the ERISA Retirement Plan Agreement.

Non-Discretionary Advice Service. Fees due Secure shall be calculated in accordance with the following schedule:

<b>Assets Under Advisement</b>			
<b>From:</b>	<b>To:</b>	<b>Annual Fee %</b>	<b>Quarterly Fee %</b>
\$0	\$250,000	0.90	.2250
\$250,001	\$500,000	0.70	.1750
\$500,001	\$1,000,000	0.40	.1000
Over	\$1,000,000	0.27	.0675

Discretionary Advice Services. Fees due Secure shall be calculated in accordance with the following schedule:

<b>Assets Under Advisement</b>			
<b>From:</b>	<b>To:</b>	<b>Annual Fee %</b>	<b>Quarterly Fee %</b>
\$0	\$1,000,000	1.000	.2500
\$1,000,001	\$3,000,000	0.750	.1875
\$3,000,001	\$5,000,000	0.650	.1625
Over	\$5,000,000	0.550	.1375

Retirement Plan advisory fees may be paid quarterly in arrears, or in advance, as specified in the Retirement Plan Fiduciary Investment Advisory and Management Services Agreement with the client. Fees are calculated on the basis of the market value of investments in the account as determined by the account custodian, including any balances held in money market funds. The fee for the initial quarter is pro-rated for the period that services are provided. Subsequent fees are based upon the market value of the account as of the last business day of the previous quarter. Upon termination of the Retirement Plan Fiduciary Investment Advisory and Management Services Agreement, any pre-paid advisory fees will be prorated to the date of termination and refunded. If fees are being paid after services are provided, the client is responsible for payment of the fees earned by SAM to the date of termination. The Retirement Plan Fiduciary Investment Advisory and Management Services Agreement may be terminated by ten (10) days advance written notice from either party to the other.

#### **ITEM 6: PERFORMANCE BASED FEES**

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##### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities. SAM does not use a performance-based fee structure because of the 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.

#### **ITEM 7: TYPES OF CLIENTS**

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##### Description

SAM generally provides portfolio management and financial planning to individuals and pension consulting to retirement plans. Client relationships vary in scope and length of service.

##### Account Minimums

SAM has no minimum to open an account.

#### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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##### Methods of Analysis

Security analysis methods used may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market. The main source of information is research materials prepared by others.

### Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy. Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions and option writing (including covered options, uncovered options or spreading strategies).

### Security Specific Material Risks

Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

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:

- ❖ Fundamental Analysis:  
Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- ❖ Technical Analysis:  
Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.
- ❖ Cyclical Analysis:  
Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.
- ❖ 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 buy more than 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 profitability, 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.

## **ITEM 9: DISCIPLINARY INFORMATION**

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### Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

### Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

### Self-Regulatory Organization Enforcement Proceedings

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

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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### Broker-Dealer or Representative Registration

The firm is not a broker-dealer nor does it have an application in to become one. Some investment advisor representatives are registered representatives of an unaffiliated broker/dealer. Individuals registered as representatives with a broker-dealer will only offer and/or sell products in states where they are properly licensed.

### Futures or Commodity Registration

Neither SAM nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

### Material Relationships Maintained by this Advisory Business and Conflicts of Interest

SAM itself is not an insurance agency, but individual representatives may be licensed as insurance agents in their capacity outside of SAM. Individual representatives who are licensed to sell insurance, will only offer and/or sell products in states where they are properly licensed.

Affiliated persons of SAM may also be registered representatives of an unaffiliated broker dealer and receive external compensation for the sale of securities to clients. This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. This conflict is mitigated by the fact that SAM has a fiduciary responsibility to place the best interest of the client first and clients always have the right to purchase these products, should they wish to do so, through another insurance of their choosing.

SAM has advisory affiliations with Secure Mortgage Funding, L.L.C, Secure Investors Group, and Secure Tax Service, LLC.

Some employees of SAM may be tax preparers and mortgage brokers for Secure Tax Service, LLC, Secure Mortgage Funding, L.L.C, or Secure Investors Group. From time to time, these employees may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. SAM always acts in the best interest of the client and clients are in no way required to the services of any representative of SAM in connection with such individual's activities outside of SAM.

Michael L. Albertson performs tax advisory services at Indiana Tax Advisory Group Inc. He also performs tax preparation services at Tradewell Tax and Financial. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. SAM always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of SAM in such individual's outside capacities.

### Selection of Other Investment Advisors and Conflicts of Interest

SAM may at times utilize the services of Third Party Money Managers, to manage client accounts. SAM will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where SAM is recommending the adviser to clients. In such circumstances, SAM will share in the Third Party asset management fee. This creates a conflict of interest in that SAM has an incentive to direct clients to the third-party investment advisers that provide SAM with a larger fee split. However, when referring clients to a third party money manager, the client's best interest will be the main determining factor of SAM. These fees do not include brokerage fees that may be

assessed by the custodial broker dealer. Fees for these services will be based on a percentage of assets under management not to exceed any limit imposed by any regulatory agency. The final fee schedule will be reflected in Schedule C of SAM's Investment Advisory Agreement.

This relationship will be disclosed in the client contract. SAM does not charge additional management fees for Third Party managed account services. Client's signature is required to confirm consent for services within Third Party Investment Agreement. Client will sign SAM's Investment Advisory Agreement to acknowledge receipt of Third Party fee Schedule and required documents including ADV Part 2 disclosures.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

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### Code of Ethics Description

The employees of SAM have committed to a Code of Ethics. The purpose of our Code of Ethics is to ensure that when employees buy or sell securities for their personal account, they do not create actual or potential conflict with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

SAM's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of SAM may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security. SAM's Code is based on the guiding principle that the interests of the client are our top priority. SAM's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to nonpublic information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

SAM and its employees do not recommend to client's securities in which we have a material financial interest.

### Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

SAM and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as heading away of client trades, employees are required to disclose all reportable securities transactions as well as provide SAM with copies of their brokerage



statements. The Chief Compliance Officer of SAM reviews employee trades on a quarterly basis. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm are not disadvantaged by personal trading of SAM's representatives.

#### Client Securities Recommendations, Trades & Concurrent Advisory Firm Securities Transactions & Conflicts of Interest

SAM does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist.

### **ITEM 12: BROKERAGE PRACTICES**

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#### Factors Used to Select Custodian/Broker-Dealers for Client Transactions

SAM may recommend the use of a particular custodian or may utilize a custodian of the client's choosing. SAM will select appropriate custodians based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. SAM relies on the custodian/broker-dealer to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by SAM. SAM will only recommend custodian/broker-dealers that are properly licensed, notice filed, or exempt in the states where SAM is recommending them to clients.

##### ❖ Directed Brokerage

In circumstances where a client directs SAM to use a certain broker-dealer, SAM still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: SAM's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients, and conflicts of interest arising from brokerage firm referrals.

##### ❖ Best Execution

Investment advisors who manage or supervise client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

##### ❖ Soft Dollar Arrangements

SAM utilizes the services of custodial broker dealers. Economic benefits are received by SAM which would not be received if SAM did not give investment advice to clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to SAM's accounts, ability to conduct "block" client trades, electronic download of trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from client accounts. SAM benefits by not having to produce or pay for the research, products or services, and therefore a conflict of interest exists when the firm receives soft dollar benefits because SAM will have an incentive to recommend a broker-custodian/dealer based on receiving research or services. This conflict is mitigated by the fact that the Investment Advisor

Representatives have a fiduciary responsibility to act in the best interest of his clients and the services received are generally beneficial to all clients.

#### Aggregating Securities Transactions for Client Accounts

SAM is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of SAM. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

### **ITEM 13: REVIEW OF ACCOUNTS**

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#### Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by the Chief Compliance Officer or the assigned investment advisor representative. Account reviews are performed more frequently when market conditions dictate. A review is done only upon request of client.

#### Review of Client Accounts on Non-Periodic Basis

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

#### Content of Client Provided Reports and Frequency

Clients receive account statements no less than quarterly for managed accounts. Account statements are issued by the Advisor's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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#### Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

SAM receives a portion of the annual management fees collected by the Third Party Money Managers to whom SAM refers clients. This situation creates a conflict of interest because SAM and/or its Investment Advisor Representative have an incentive to decide what Third Party Money Managers to use because of the higher solicitor fees to be received by SAM. However, when referring clients to a third party money manager, the client's best interest will be the main determining factor of SAM's recommendation.

#### Advisory Firm Payments for Client Referrals

SAM does not compensate for client referrals.

### **ITEM 15: CUSTODY**

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#### 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. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by SAM. SAM does not have physical custody of client funds or securities, but is deemed to have indirect custody solely because advisory fees are directly deducted from client's accounts by the custodian on behalf of SAM. Please see Item 5 above.

## **ITEM 16: INVESTMENT DISCRETION**

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### Discretionary Authority for Trading

SAM requires discretionary authority to manage securities accounts on behalf of clients. SAM 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. Clients will execute a limited power of attorney to evidence discretionary authority. The client approves the custodian to be used and the commission rates paid to the custodian. SAM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades. In some instances, SAM's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to SAM).

## **ITEM 17: VOTING CLIENT SECURITIES**

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### Proxy Votes

SAM does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent. When assistance on voting proxies is requested, SAM will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **ITEM 18: FINANCIAL INFORMATION**

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### Balance Sheet

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

### Financial Conditions & Bankruptcy

SAM has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. Neither SAM nor its management has had any bankruptcy petitions in the last ten years.